

The ORIENTAL ECONOMIST

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MARCH, 1957

No. 557

Diet Reopens

Exit of Ishibashi Cabinet

Is Inflation in Store?

Better Corporate Results

Trade with Communists

Qualitative Strengthening of Defense

Central Motorways Plan

The Changing United Nations

New Budget and Industry

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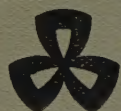
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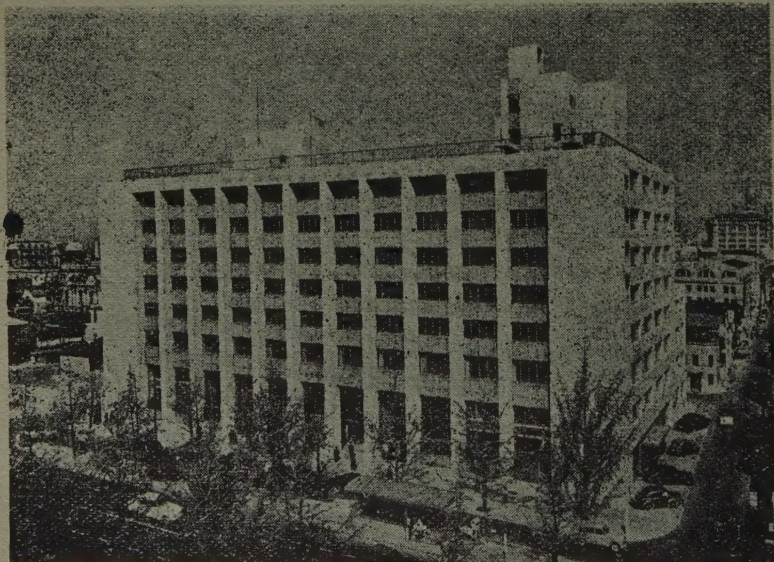
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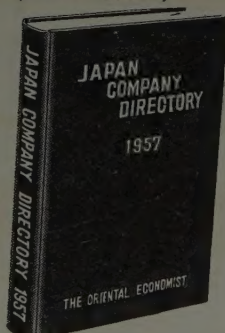
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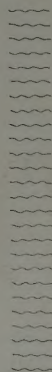
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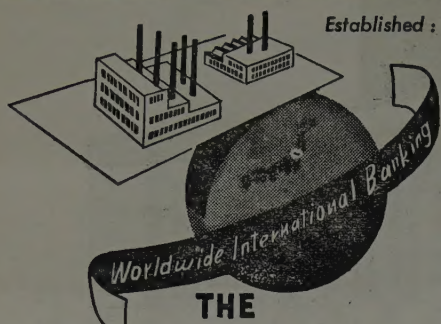
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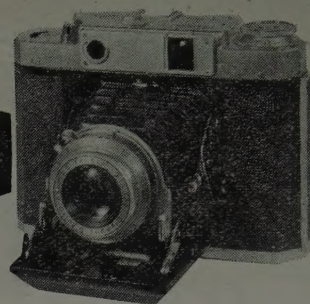


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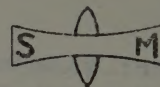
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Review of the Month

THE 26th session of the National Diet, reopened on January 30 after a prolonged New Year recess from December 20, listened to the policy speeches by the Prime Minister, the Foreign Minister, the Finance Minister and the Director-General of the Economic Planning Board on February 4. On behalf of Prime Minister Tanzan Ishibashi suffering from pneumonia Foreign Minister Nobusuke Kishi, in the capacity of Acting Prime Minister, read the general policy speech. The speech was based on the "five pledges" made by Prime Minister Ishibashi in the course of his nation-wide political campaign in January—1) Normalization of parliamentary procedures; 2) Discipline of political and bureaucratic circles; 3) Expansion of production and employment; 4) Stabilization of social security system; and 5) Independent and self-asserting diplomacy.

Closer attention, however, was apparently focussed on the foreign policy speech made by Mr. Kishi inasmuch as it was expected to clarify Japanese diplomatic plans for the first time after the restoration of relations between Tokyo and Moscow. Touching upon the Japanese attitude towards the United States, Mr. Kishi made it definitely clear that Japanese diplomacy would be propelled in harmony with the United States by declaring "Japanese-American cooperation is the keynote of Japan's foreign policy. For there exists a community of interests and objectives in a large measure between our country and the United States regarding political and economic affairs as well as defense." The Foreign Minister clarified, despite the Socialist demand for Japan's "neutralization," that the cooperation with the United States would continue as an immutable policy under the Ishibashi Government, although he asserted, ".....there remain many things yet to be done to render those (Japanese-American) relations more rational so as to ensure a permanent friendship between the two countries." For the settlement of outstanding problems across the Pacific, Mr. Kishi added: "To that end, large-heartedness and goodwill are required of the two countries to look at things from each other's standpoint, and to engage in frank and earnest conversations as between friends on a common footing." The Foreign Minister appeared comparatively businesslike in his reference to relations with the Soviet Union when he stated ".... For the immediate present, we will set up and man our embassy in Moscow; ask for Soviet cooperation for repatriation of some detained fishermen and investigation regarding certain nationals still remaining in Russia; seek a proper solution of the fishery problem through the Japanese-Soviet Joint Fishery Commission; and otherwise concentrate our efforts on the disposition of the matters attending the normalization of Japanese-Soviet relations." It may thus be gathered from his statement that the Government is apparently intending to let its diplomatic contact with the Soviets to the necessary minimum. In commenting on Japanese relations with Communist China, Foreign Minister Kishi made it clear that the Japanese interest is only commercial in nature, at least for the time being, stating: "Between Japan and the continent of China there have existed close ties from ancient times. Moreover, economically they stand to a certain extent on a mutually complementary relationship. Accordingly, the Government, while maintaining harmony with other free nations, will work for rationalization of the existing embargo according as the situation

changes; and seek to expand the trade as much as possible within the framework of the aforementioned harmony. But as for matters outside trade, a careful study will be continued as they involve a variety of complicated problems of international politics."

Throughout his speech, which also touched upon the problem of economic developments in Southeast Asia as well as the Suez and Hungarian issues, the Foreign Minister stressed that the keynote of Japan's diplomatic policy would evolve on the pivot of the United Nations and the harmony with other free nations.

THE Ishibashi Cabinet resigned en bloc on February 23 due to the illness of Prime Minister Tanzan Ishibashi after a short life of only two months since it was officially installed on December 24, last year.

EXIT OF ISHIBASHI CABINET

The decision on the Cabinet resignation was made at the initiative of the Prime Minister himself after an exhaustive medical examination by a group of four physicians in the afternoon of February 22 gave the verdict that Mr. Ishibashi must rest for another two months for recovery. Immediately upon the announcement of the result of the examination, Prime Minister Ishibashi sent a letter addressed to Acting Prime Minister Nobusuke Kishi and Liberal-Democratic Party Secretary-General Takeo Miki manifesting his desire to resign according to his political conscience. Mr. Ishibashi's letter read as follows: "I am sorry to have brought trouble to many quarters concerned since I have taken ill. I am deeply impressed by kind advices given by my friends to take sufficient rest without anxiety, and my physicians have asked me to rest for another two months. After having considered the situation fully, I have finally reached the decision to resign. My friends and the majority of people may give a kind advice that I may not take such a hasty action, but I have made up my mind. As Prime Minister, I have reached the conclusion that I should resign since it has become now clear that I would be unable to attend the budgetary debates, the most important task of the new Cabinet, even for a day. I abide by my political conscience. It is entirely against my will if my long absence from the Diet may perchance cause any political instability. My wish and resolution as President of the Liberal-Democratic Party and Prime Minister are for the internal harmony and the elimination of factional strife within the party and the normalization of parliamentary procedures at the Diet. It certainly breaks my heart if my long absence from the Diet happens to obstruct the realization of these two objectives. I do hope you will handle the situation properly on the basis of the harmony within the party and the unity of party members. I am deeply sorry that I was unable to come up to your expectations. I have reached the present decision in the conviction that it is the most equitable course I should take for the sake of the political world as well as for the nation."

With the exit of the Ishibashi Cabinet, Foreign Minister Nobusuke Kishi, who was named Acting Prime Minister after Mr. Ishibashi got ill, was designated to form the next Cabinet on February 25. On the other hand, the Administration Liberal-Democratic Party seems intending to dissolve the Lower House after the passage of the budget bill now on the tapis at the Diet.

ARGUMENTS over the fiscal 1957 budget plan now rampant among political, financial and journalistic circles may be mostly condensed to one cardinal problem—whether or not it is inflationary in nature.

INFLATION IN STORE?

The new budget plan, understoodly, is blamed for being inflationary for the following reasons: 1) Under the new budget plan, the financial scale is due to swell ¥102,000 million (10%) over the fiscal 1956 budget and the scale of financial fund loans and investments is also due to rise ¥63,000 million (18%). Such financial expansion, side by side with the expected animation of private investments, will lend an additional impetus to the enlargement of economic activities sometimes to an excessive extent; 2) The possible expansion of consumer demand resulting from the proposed ¥100,000 million income tax cut and the 6% wage raise for governmental workers; 3) The fear that the elevation of railway fare and the hike of the taxi fare due to the raise of the gasoline tax may further spur the upswing of commodity prices; 4) The unfavorable outlook of international accounts, which may run into the red for fiscal 1956 and may register a \$200 million deficit (according to certain quarters) in fiscal 1957 despite the Government's estimate of a fair balance.

Finance Minister Hayato Ikeda, on his part, discredits any fear of inflationary developments in the Japanese economy. His argument is based on the following grounds: 1) The scale of the fiscal 1957 budget is in harmonious accordance with the increase in national income and production, and the revenue and expenditure are well balanced in the general account; 2) The shortage of consumer goods is the principal cause of inflation, and Japan today is rather oversupplied with consumer goods; 3) Of major producer goods, the iron-steel shortage will be sufficiently relieved with imports; 4) Raw materials inventories, expected to increase at least by \$300 million in fiscal 1956, are not likely to increase much in the future; 5) Loans will be adequately supplied out of accumulations (deposits); 6) The increase of consumer demand has begun to slacken and additional income from tax cuts or wage hikes will be bound for savings. There is no immediate telling whether there will be any inflationary developments in the wake of the fiscal 1957 budget operation. Whichever the case, however, it is highly essential for both the Government and people to try to prevent the Japanese economy from "going inflation." To that end, the Government, in the enforcement of the national budget, is urged to see that no shortage

of materials should result from the undue rivalry between financial funds and private investments. People on their part should also give unstinted co-operation in the accumulation of capital through positive saving.

CLOSE on the heels of the Tokyo-Moscow rapprochement late in 1956, Japan's diplomatic ties with other Communist countries are being swiftly resumed. An agreement ending a 16-year technical state of war and restoring diplomatic relations between Japan and Poland was signed in New York

TRADE WITH COMMUNISTS

on February 8, and a similar protocol was inked by Japan and Czechoslovakia in London on February 13. Due to the great geographical distances which separate Japan from these two countries, however, no immediate expansion of the scale of foreign trade within a short period of time is to be expected. Trade between Japan and the two new associates has been extremely insignificant. For instance, Japan's exports to Poland totalled only \$1,121,000 in 1955 and \$102,000 in 1956 while her imports reached only \$400 and \$6,000, respectively. Japanese exports were mostly confined to copper cables while imports were motion pictures. Japanese exports to Czechoslovakia amounted to \$4,524,000 and \$198,000 in the two years under review with her imports placed at \$40,000 and \$19,000, respectively, with non-ferrous metals (principally copper cables) constituting major Japanese exports and table ware and glass beads as chief purchases.

So far, Japanese trade with Eastern European countries except East Germany has been extremely small with transactions with Rumania and Bulgaria scarcely reaching \$1,000 per year. Restoration of diplomatic ties with these countries, however, will serve to better mutual understanding and eventually lead to larger trade. While Japan is comparatively free to resume relations with any of Eastern European countries, the situation is not so easy in the case of Communist China. Rapprochement between Tokyo and Peking is not the problem exclusively of their own, but is very closely related with the United States and Nationalist China. Nevertheless, the scale of trade between Japan and Communist China has been expanding year by year. Communist China is bound to demand Japanese commodities more as its economic scale grows larger. Japan is capable of supplying enough goods to satisfy the growing requirements and China, too, is sufficiently stocked with goods to offer to Japan as collateral.

According to the latest survey by the Economic Planning Board, Japan's foreign trade in fiscal 1957 is estimated to comprise \$3,730 million in imports (including \$530 million in invisible trade) and \$3,680 million in exports (including \$600 million in special procurements and \$280 million in invisible trade) with the resultant deficit of \$50 million. In the E.P.B. calculation, however, the fiscal 1957 will have both ends meet with the red figure adequately adjusted by usance bills, etc. This is, however, a very optimistic calculation, and a deficit well reaching \$200-300 million will easily ensue if the increasing tempo of exports should happen to slacken. In order to prevent the international accounts from running into the red, Japan cannot afford to depend un-

conditionally and exclusively on Western Europe alone as its trade partner. It is only natural in this connection that Japan should be tempted to look to Communist China as one of the most promising markets for its future export trade.

The Economic Planning Board predicts that Japanese exports to Communist China in fiscal 1957 are bound to swell to \$80-100 million from the estimated fiscal 1956 total of \$67 million. The E.P.B. prediction may miss the mark if COCOM exceptions are not available, as Japanese imports from China will dwindle if no COCOM-banned items can be shipped and the trade volume is eventually destined to taper off. It is reported that Washington has unofficially notified Japan relative to the strengthening of restrictions over the exports to Communist China. If so, Washington's reflection is urged for the sake of the American-Japanese friendship.

WITH the economic boom on the march for the two consecutive years, major corporations settling their business terms in March are expected to report the best results since the war's termination.

BETTER CORPORATE RESULTS

According to *The Oriental Economist* survey of 387 corporations, both sales and profits for the term ended March are estimated to increase with the hiking tempo of profits well exceeding the rising pace of sales while no slip in the profit and dividend rates appear likely despite the marked swelling of paid-up capital resulting from bulky capital expansions. Industries which have made particularly good showings in the term are shipping, iron-steel, coal, electric machinery, ship-building, automobile and electric cable while petroleum and sugar, the two tail-enders until the last term, also fared well as the market stiffened in the wake of the new developments in the Middle East. Fertilizer alone is expected to be the lone loser. The picture, however, is not unconditionally bright, as signs of the steady degeneration of yields due to overproduction have become gradually apparent in some industries, particularly those specializing in consumer goods. Typical of the doomed industries is spun rayon. The recent collapse of spun rayon prices has been affecting other textile industries as well as affiliated branches like pulp and soda. Pulp, after several years of semi-permanent boom, is now endeavoring to make both ends meet. The effects of "the rising cost of raw materials and the falling prices of manufactured goods" have become increasingly apparent upon some key industries and the slip of profit margins has become more universal. Why, then, are the corporate results for the term ended in September this year bound to make a better showing? Largely contributive to the improvement of corporate results in the next term will be the large amount of "hidden profits" which many companies succeeded in having omitted from the book by some accounting manipulations for the term ended March but which they will be forced to register officially in the next term. Taking all such circumstances into account, therefore, the current term ended March will actually mark a peak for corporate profits.

Errata: In Chart 1 "Fiscal 1957 Budget" on Page 66 of the February issue, kindly read the first item in the Public Works under Expenditures as "Flood Control" instead of as printed. - Editor.

Business Indicators

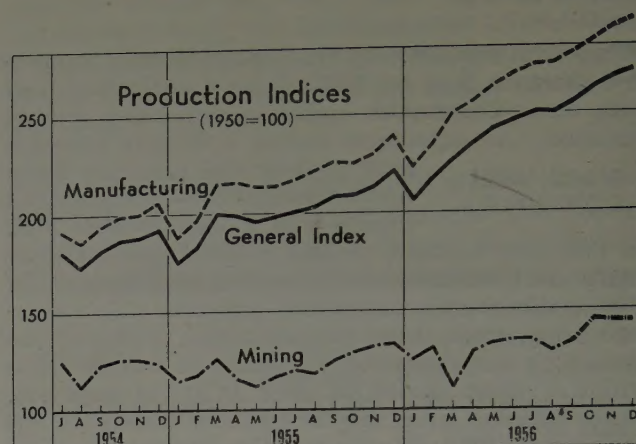
Production:—Production continued to show good going in December with the index (mining and manufacturing inclusive: based on the 1950 average) registering 272.0, up 22.2% higher than the like index a year ago. The composite average index for the calendar year of 1956 also stood 21.2% higher than the calendar 1955 average. On the list of annual gainers (from 1955 through 1956), steel ships registered the widest hike of more than 2.1-fold, followed by rolling stock and machinery which increased 49.4% and 39.3%, respectively, well reflecting the amazing activity of shipbuilding for exports and domestic plant and equipment spending. Iron-steel, on the other hand, failed to make any spectacular boost, well justifiable on the spur of a sharp gain in domestic demand, with the increasing rate nailed to the low level of 18.2%, as underequipment offered a major restraint. The upsurge of consumer goods (such as textiles and paper-pulp) during the year under review, however, was far less notable than that of producer goods. Particularly slow was the rising pace of textile goods and foodstuffs as they had been already plentifully supplied from the early part of 1955. With the principal bottlenecks in the way of the swift march of production, such as the undersupplies of electric power, petroleum, coal and iron-steel and lack of transportation, not expected to be quickly eliminated, the rising tempo of production may be comparatively slackened in 1957, especially for producer goods.

1. DECEMBER PRODUCTION INDICES
(1950=100)

	Dec., 1956	Against Dec., 1955	1956 Average	Against 1955 Average
Mining-Manufacturing	272.0	122.2	247.8	121.2
Mining	145.0	108.6	133.5	109.5
Manufacturing	298.2	123.8	270.5	122.5
Iron & Steel	249.3	119.5	231.3	118.2
Non-Ferrous Metals	221.9	119.4	198.5	118.2
Machinery	343.8	152.7	297.8	139.3
Steel Ships	609.7	167.4	562.2	212.0
Rolling Stocks	167.4	123.2	160.9	149.4
Textiles	342.3	125.3	302.9	123.1
Paper & Pulp	312.3	116.7	287.3	115.7
Chemicals	262.3	119.6	245.6	120.0
Pharmaceuticals	851.9	80.0	900.6	101.4
Oil Products	585.6	118.4	530.3	128.9
Ceramics	247.3	126.6	218.2	120.9
Rubber Goods	200.7	125.4	178.8	119.6
Leather Goods	305.7	110.5	274.7	128.9
Daily Necessaries	250.1	109.7	229.3	114.3
Lumber	189.9	113.8	—	—
Foodstuffs	214.2	87.4	—	—
Tobacco	133.0	96.0	—	—

Source: MITI.

Consumer Demand:—The bulky swelling of production in calendar 1956 was principally attributable to brisk domestic demand. For instance, equipment investments continued exceedingly lively throughout the year. According to the Economic Planning Board, the volume of orders received for machinery during the January-June period, 1956 was more than 2.2 fold the equivalent a year before and the monthly average of similar orders during the July-November period



were also 76% larger. Equally animated were inventory financing operations with the 1956 average up 50% over the 1955 equivalent. The bulge of consumer demand, although not so notably sizable as that of investment demand, also fared well throughout 1956, as well indicated by the monthly sales of all department stores. According to the Ministry of International Trade & Industry, the average monthly sales of department stores in 1956 is estimated to have eclipsed the like average in 1956 by about 20%, although the actual gain might have stood at around 10% when the expansion of floor space during the one year under review was taken into account.

The picture of domestic demand in 1957 may not be so encouraging as in 1956, as the swelling tempo of plant and equipment spending and inventory investments is likely to slow down somewhat. While industrial investments may remain quietly stiff, however, consumer demand is destined to rise at a fair tempo, as the 1956 business boom is expected to continue unabated into later months of 1957 and the prospective ¥100,000 million income tax cut is certain to spur purchasing power. With the masses still sufficiently saving-minded, there is little fear of the advent of inflationary developments on the spur of a consumer boom.

2. DEPARTMENT STORE SALES

	1955		1956	
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
May	147.9	104.7	176.2	119.2
June	147.1	107.2	181.1	123.1
July	193.1	105.9	236.9	122.6
August	142.4	102.7	178.2	125.1
September	124.5	111.9	156.5	125.7
October	173.7	100.4	208.8	120.2
November	195.3	112.4	235.2	120.4

Source: Compiled by *The Oriental Economist* from MITI figures.

Prices:—Under the support of active demand, the wholesale prices continued rising throughout 1956 almost without a break. According to the Economic Planning Board, the average weekly wholesale price index as of February, 1957 was about 8% higher

than a year ago. The price hike in the interim was especially notable with the metal group (iron-steel and non-ferrous metals) with the gain of 16.3%. Other leading gainers were building materials (up 14.7%), machinery (up 10.5%) and fuels (up 9.3%). In other words, the price march in 1956 was led principally by producer goods. On the contrary, consumer goods stood almost intact from the start of the year up until November (as compared with the 13.0% climb of producer goods during the same period). Primarily responsible for the trend were the unprecedented boom of export ships and the phenomenal activity of plant and equipment spending. The tables were apparently turned from about November with producer goods (particularly steel products) beginning to slip and consumer goods conspicuously swinging up on the strength of seasonal demand. The hike, however, is considered temporary, as food and fuel items (predominant among consumer goods) are bound to slip with the advent of the spring season.

3. WHOLESALE PRICE INDICES
(June, 1950=100)

	Feb., 1956	Sept., 1956	Nov. 1956	Feb., 1957	Against Feb., 1956
Total Average	160.2	170.9	168.1	172.9	107.9
Foodstuffs	155.8	149.4	146.7	159.5	102.4
Textiles	92.1	92.1	92.2	91.6	99.4
Fuels	161.4	164.8	168.6	176.4	109.3
Metals	266.1	338.5	312.8	309.4	116.3
Machinery	177.4	188.7	191.7	196.1	110.5
Building Materials	206.8	225.0	230.2	237.2	114.7
Chemicals	106.4	106.1	106.6	108.4	101.9
Sundries	138.3	133.8	135.1	136.6	98.8
Consumer Goods	147.0	143.4	142.4	152.5	103.7
Producer Goods	167.4	185.8	182.3	183.9	109.9
Total Average minus Foodstuffs	161.6	177.6	174.8	177.0	109.5

Note: As of mid-month.
Source: Economic Planning Board.

Living Cost :—With the retail prices of consumer goods well stabilized at normal levels in 1956, the consumer prices also continued to zigzag within a narrow range throughout the year. Due to the spurt of foodstuffs and other items in demand for the New Year season at the close of 1956, however, the C.P.I. as of December stood 3.2% higher than a year ago. Taking the year of 1956 as a whole, however, the hike was restricted to only 0.9%. On the itemized list, the housing expense (including rent and repair) led other expense items by far by surging up 10.1% while staple food items receded about 3.0% and the

closing expense remained almost stationary. With the prices of consumer goods expected to continue calm for some time to come, the cost of living will not make any perceptible changes. With the prices of consumer goods expected to continue calm for some time and the housing expense, the top gainer in 1956, not to repeat the solo march, the cost of living will not make any perceptible changes in several months to come.

4. TOKYO CONSUMER PRICE INDICES
(1951=100)

	Dec., 1956	Against Dec., 1955	1956 Average	Against 1955 Average
Total Average	118.9	103.2	117.5	100.9
Foodstuffs	113.6	103.3	112.4	99.5
Staple	120.7	99.3	121.2	97.3
Non-staple	109.9	105.8	107.8	100.9
Clothing	83.0	101.2	82.4	100.9
Light-Fuel	142.9	102.5	138.6	100.5
Housing	145.3	109.1	142.2	110.1
Miscellaneous	142.7	102.7	141.6	102.4

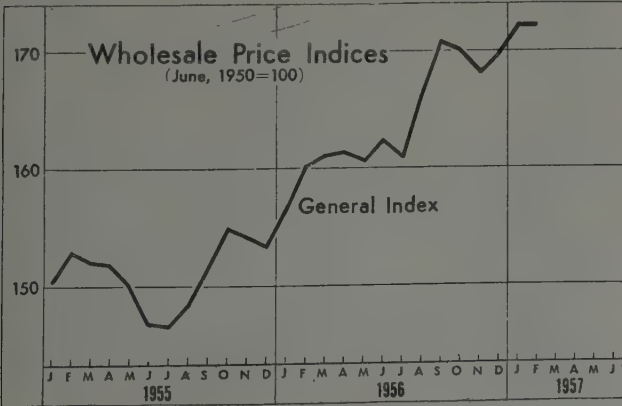
Source: Bureau of Statistics, Prime Minister's Office

Inventories :—With production swelling almost at the same tempo as the expansion of demand, the supply-demand balance was more or less harmoniously maintained. The supply-demand stringency of raw materials was especially alleviated in December as the December-end inventories index stood 32.5% higher than a year ago, according to the Ministry of International Trade & Industry. Of raw materials stocked, imported items registered the sharpest hike of 43.3% over a year ago while inventories of manufactured goods in hands of merchants grew 17.8% in the interim. The index of month-end inventories held by manufacturers, which had been below the equivalent a year ago until October, began to pick up from November and stood at 7.5% higher at the close of December, well indicating the fact that the increasing tempo of production has at last begun to outstrip the gaining pace of consumption. Gains of manufacturers' inventories in December were especially high for chemicals (up 31.0% over a year ago), non-ferrous metals (up 29.0%) and textiles (up 15.0%). Inventories of iron and steel, for some time under-supplied, also beat a year ago by 5.3%. With the supply and demand thus more smoothly balanced, the rising tone of prices has been well curbed to weaken the possibility of inflationary repercussions.

5. INDICES OF MANUFACTURERS' INVENTORIES
(1950 average=100)

	Nov. 1956	Dec., 1956	Against Nov., 1955	Against Dec., 1955
Mining-Manufacturing	141.0	141.6	100.4	107.5
Mining	57.1	55.3	96.8	67.4
Manufacturing	151.6	152.5	100.6	110.4
Iron & Steel	163.5	164.1	100.4	105.3
Non-ferrous Metals	80.1	83.5	104.2	128.5
Machinery	162.6	172.5	106.1	106.7
Textiles	118.9	117.9	99.2	114.7
Paper, Pulp	229.6	220.3	95.9	74.3
Chemicals	303.7	322.7	106.3	130.8
Petroleum, Coal Products ..	169.1	152.8	90.4	110.4
Ceramics	124.1	123.3	89.4	97.4
Rubber Goods	207.2	190.8	92.1	108.5
Hides, Leathers	132.2	117.2	88.7	110.4
Others	106.9	96.1	89.9	124.0

Source: Ministry of International Trade & Industry.



Money and Banking

Money in January:—Money was extraordinarily tight in January, as well indicated by the marked swelling of the balance of Bank of Japan loans which increased sharply by ¥26,200 million during the month to the January-end total of ¥166,100 million as compared with ¥139,900 million a month ago. The notable stringency of the monetary situation in January was due to two principal reasons—1) the excessively large excess of withdrawals over payments and 2) the noteworthy expansion of demand for funds. The public-to-Treasury balance in January was originally estimated to reach about ¥90,000 million, but actually totalled ¥140,900 million, more than ¥50,000 million larger than the first target. January would usually register a sizable excess of financial fund withdrawals each year, but this trend was particularly conspicuous in January, this year, as 1) the tax revenue in the general account in January eclipsed the original estimate by about ¥4,000 million, 2) the increase of about ¥10,000 million in the withdrawal excess in the Food Control Account as a result of a large amount of advances extended in December to the Central Cooperative Bank for Agriculture and Industry, and 3) the huge ¥22,900 million withdrawal excess in the Foreign Exchange Account due to a large import excess, contrary to the original estimate of a ¥6,000 million payment excess. With the withdrawal excess reaching ¥140,900 million, the balance of Bank of Japan note issue during the month dwindled ¥108,400 million to the January-end total of ¥676,400 million. The expansion of demand for industrial funds was based chiefly on active requirements for equipment funds parallel with brisk plant and equipment investments since the summer of 1956 and the increasing demand for operating funds to cope with the expansion of economic scale (especially the new demand for import funds to take care of rising imports). Sandwiched between a sizable withdrawal excess of financial funds and the lively demand for industrial funds, the volume of funds in the hands of banks grew extremely stringent. In the January accounts of all banks, real deposits registered a drop of ¥32,968 million while loans extended made a large gain of ¥17,259 million with the resultant swelling of Bank of Japan loans. The call market was kept extremely busy with the call rates becoming stiff. The standard call rate (unconditional, which reached the year-end peak of 2.7 sen per diem on December 28, declined to 1.8 sen in the early part of January, but regained strength from mid-January and ended the month at 2.6 sen.

Selective Loans:—With the loans from the Bank of Japan increasing and the call rates on the hike, the cost of raising funds on the part of banks has tended to gain. To cope with the new developments,

banks have become more selective in extending loans to enterprisers. Terms of loans to smaller industries have been tightened as a result and their landing operations even to key industries have become increasingly cautious. Under such monetary circumstances, the volume of funds demanded from long-term credit banks (the Industrial Bank of Japan and the Long-Term Credit Bank of Japan) has come to exceed their fund-raising capacities. On the other hand, the flotation of bonds and debentures has grown less active.

Loan Interest Rates:—Enterprisers, on their part, have become more hasty in obtaining early loans from banks, and more companies have begun to hold fresh funds obtained through capital expansion without using them to repay debts to banks. Meanwhile, no further decline of loan interest rates is considered possible. As shown in Table 2, the average loan interest rates of all banks throughout the country continued dropping by 0.01 sen or 0.02 sen monthly for the first seven months of 1956, but the slipping rate became slimmer after August and remained intact in October. The drop in November was extremely small at 0.006 sen per diem. During the period from April to June, 1956 when money was comparatively easy, the decreasing rate was more wide-margined with the month of June registering a 0.022 sen drop. The slip apparently came to a virtual standstill in December with the new signs of hiking. In January, interest rates for loans to top customers were raised from 2.0 sen per diem to 2.1 sen by the three leading banks—the Hypothec Bank, the Dai-Ichi Bank and the Mitsubishi Bank.

1. MONEY IN JANUARY (In ¥100 million)

Note Issue		A year ago
End of Dec., 1956.....	7,848	6,739
End of Jan., 1957.....	6,764	5,828
Decrease	1,084	911
Financial Funds	↔1,409	↔ 703
Bank of Japan Credit	281	↔ 119
Loans	262	↔ 39
Short-term Govt. Notes	19	↔ 80
Others	45	↔ 89

Source: Compiled by *The Oriental Economist*.

2. SLIP OF LOAN INTEREST RATES (In sen per diem)

1956	
January	0.013
February	0.013
March.....	0.017
April	0.015
May	0.019
June	0.022
July.....	0.015
August	0.009
September	0.008
October	—
November	0.006

Source: *The Oriental Economist*.

Stock Market

Peaks Renewed:—The stock market resumed strength in February with a new high registered. The Dow-Jones industrial average (revised) of the Tokyo Stock Exchange reached a new peak at ¥586.01 on January 21 after having hit the month's low of ¥549.41 on January 4. After a short-lived recession due to evening-up operations (with the average slipping to ¥568.97 on February 1), the market began to stiffen again and registered another new high of ¥587.85 on February 12, ¥1.87 higher than the January high of ¥586.01. The volume of turnovers accordingly bulged with the daily average in the period from February 1 to 12 reaching 38,367,000 shares, far in excess on the like average in 1956, although not beating the January average of 39,771,000. In fact, the stock market was more booming in February than January, marked with speculative hikes for some industrials. For instance, Nakayama Steels and Nippon Steels swung up at such a frantic tempo that the Osaka Securities Exchange finally suspended the transactions of the former with the Tokyo Securities Exchange threatening to follow suit by stopping the derlings of the latter. Heavy buying was also directed "speculatite" shares like towards Mitsui Minings, Mitsukoshis, Mitsubishi Real Estates and Fudosan Real Estates while some low-priced stocks also enjoyed selective buying.

1. AVERAGE SHARE PRICES & DAILY TURNOVERS

	Average Share Prices (Yen)			Average Daily Turnovers (1,000 shares)
	High	Low	Average	
1956: June	512.25	491.03	502.21	27,528
July	502.14	482.87	490.81	16,042
August	507.31	493.89	503.03	15,450
September	492.92	482.70	487.24	12,127
October	508.98	487.15	496.19	19,996
November	556.58	512.94	532.76	39,673
December	566.30	542.91	554.92	28,163
1957: January	586.01	549.45	572.80	39,771
*February	587.88	569.97	579.65	38,367

*From February 1 to 12.
Source: Compiled by The Oriental Economist.

"Masses" Active:—Responsible for the new advance of share prices were: 1) The activity of the "masses." At the start of the year, share prices were generally expected to continue weak in the January-March period, as money would generally grow tight due to the usual excess of financial fund withdrawals during this period. Smaller enterprisers and middle-class wage earners, who account for a certain important portion of stock transactions in recent years, however, were apparently immune to the effects of money tightening and continued bullish. Subscription to investment trust by such "masses" clients also proved energetic; 2) Spurs of governmental policies. Positive policies expected to be adopted by the Ishibashi Government (such as huge spending for industrial equipment and the ¥100,000

million tax cut) drew traders to the shares of companies likely to be benefited by the state fund investments and loans program; 3) The retreat of the bulls. The "masses" investors, in expectation of the favorable corporate results for the half-year term ended March, grudging selling; 4) The expectations for ealier capital increases by some corporations to raise equipment funds with the rise of particularly bullish operations for some specific stocks; 5) The shifting of investors from the commodity market to the stock market due to the fall of the prices of some major goods like textiles and the consequent rise of a new bullish sentiment.

Cautious Sentiment:—In the face of the active market, however, a cautious sentiment appeared spreading in a certain section of tarders for the following reasons: 1) Share prices, which have been boosted to the present height due partly to sentimental stimulants, are excessively high for some stocks, and there is apparently no room for further bullish push; 2) Due to the recent monetary stringency, securities financing by the Japan Securities Ffinance Co. has been tightened with its interest rates due to be raised at any time; 3) Monetary instituions holding bulky securities with life insurance companies at the helm may start selling operations when share prices rise to a certain high position; 4) the present bullish sentiment may be short-lived.

For all the warning by the bears, however, it appears that any reactionary slip of share prices, if any, will be only limited in scale, as the situation today is entirely different from what preceded the collapse after the Korean War. At the time of the share price upsurge directly following the outbreak of the Korean War, stocks as well as commodities grew extremely stiff in expectation of the imminent advent of inflationary developments. Active buying operations today, however, are based on more solid and tangible stimulants like the fair showing of corporate results and active capital expansions. Hence, any reactionary slip will be only in the form of evening-up operations. After a round of such evening-up adjustments, therefore, share prices are bound to rally.

Some experts take a view that the latest share price upswing might have taken account the prospective inflationary developments resulting from the fiscal 1957 budget. Naturally, financial interpellations in the Diet were mostly propelled around the relations between the fiscal 1957 budget and tne possible reactionary repercussions which might ensue. Government leaders, however, appear entirely opposed to the above view. At the Financial Committee meeting in the Lower House on February 13, Finance Minister Hayato Ikeda declared that nothing infla-

tionary was noted in the compilation of the budget for fiscal 1957. The Finance Minister pointed out the mistake of those who are apparently jumping at a hasty conclusion that the latest animation of the securities market is solely due to the character of fiscal 1954 budget which, they consider, is stimulating to the further march of the business boom. Mr. Ikeda added in this respect that he did not think that the recent upsurge of the Dow-Jones industrial averages at the stock market was simply reflective of the sound economic activity and was neither excessive nor speculative in nature.

Machinery Shares Leading:—The rise of share prices during the period from February 1 to 12 at 3.23% was not particularly speculative in nature. As in early January, the February upswing was also led by heavy machinery issues, as shown in Table 2. Electric machines and tools topped the list of gainers with the hike of 12.49% as heavy electric machines went particularly strong while (other) machinery went up 8.54%, followed by primary metals gaining 6.69%. Glass and affiliated products also rose markedly by 7.69% as glasses and cements were heavily bought. Of the 22 groups constituting the 225 pivotals, only ocean shippings remained intact during the period under review. The advance of other groups were more or less fractional in scale with textiles up only 0.16% principally because of

the softening of the prices of cotton and rayon staple goods resulting from oversupplies. The strength of machinery shares and other heavy industrials was based strength of machinery shares business showings of machinery companies and the increasing possibility of their capital expansions in the very near future.

2. SHARE PRICE MOVEMENT BY GROUP

	Feb. 1 ¥	Feb. 12 ¥	Gains ¥	%
Average of 225 Pivotal.....	568.97	587.39	18.42	3.23
Fisheries.....	170.59	172.06	1.39	0.81
Mining.....	414.43	426.03	11.60	2.79
Foodstuffs.....	1014.33	1028.67	14.24	1.40
Textiles.....	630.00	631.01	1.01	0.16
Paper, Pulp.....	716.15	739.58	23.43	3.27
Chemicals.....	352.14	366.71	14.17	4.02
Petroleum, Coal Products ..	1543.33	1556.67	13.34	0.86
Glass, Clay, Stone Products..	831.01	862.63	61.62	7.69
Primary Metals.....	199.04	212.37	13.33	6.69
Machinery.....	239.46	325.07	25.61	8.54
Electric Machines, Tools ..	332.41	340.21	37.83	12.49
Transportation Machinery ..	336.75	349.64	13.23	3.92
Precision Machines.....	291.30	298.14	6.84	2.34
Other Manufacturing.....	413.76	426.46	12.70	3.06
Commerce.....	1124.29	1148.57	24.28	2.15
Banking, Insurance.....	626.53	636.73	10.16	1.78
Real Estate.....	1655.74	1672.13	16.39	0.98
Land Transportation.....	367.74	370.23	2.49	0.67
Ocean Shipping.....	332.43	332.43	—	—
Warehousing.....	967.50	970.00	2.50	0.25
Electricity, Gas.....	211.01	212.62	1.61	0.76
Service Professions.....	339.18	344.49	5.31	1.56

Source: Compiled by *The Oriental Economist*.

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New Budget's Effect on Industry

SUDDEN worsening of Japan's payments position in fiscal 1953-54 (April 1953 through March 1954) caused the Government to take remedial action through budgetary retrenchment and credit curbs. For example, the Budget General Account expenditures were held down to about ¥1,000,000 million for four successive years (1953-54 through 1956-57) despite steady growth of national income.

1. NATIONAL INCOME VS. BUDGET GENERAL ACCOUNT EXPENDITURES

	(In ¥ million)		
	Distributed National Income	General Account Outgo	Comparison (%)
Fiscal 1952-53	5,195,400	873,900	16.8%
1953-54	5,822,400	1,017,200	17.5
1954-55	6,123,500	1,040,800	17.0
1955-56	6,794,800	1,018,200	15.0
1956-57	7,610,000	1,034,900	13.6
1957-58	8,180,000	1,137,400	13.9

Notes: 1. Figures for and up to fiscal 1955-56 are actual. 2. Figures for and after fiscal 1956-57 are estimates or as originally budgeted.

This general retrenchment first caused export sales to go up. As against the preceding year, exports in fiscal 1954-55 increased 28.6 percent; while the volume in fiscal 1955-56 was 30.8 percent over that of fiscal 1954-55. Spurred by this growth of export trade, there was an increase in domestic consumer buying; and as a result to these expanding requirements there took place accelerated growth of investment in facilities. These factors all contributed to the climb of distributed national income and production.

Achievements to date have far exceeded the initial predictions. For instance, the forecast for fiscal 1955-56 set the expected gain in production at only 1.5 percent. But what actually happened was 8 times bigger, with industrial output boosted 12.8 percent over the 1954-55 level. The same thing occurred in 1956-57 when the 7.2 percent prediction was exceeded almost threefold by a gain of 21 per cent.

However, because of two successive years of such unexpectedly rapid progress, the economy has come up against a number of bottlenecks.

According to the Ministry of International Trade and Industry, if in fiscal 1957-58 industrial (mining and manufacturing) production is to be boosted to 255.5 percent of the 1934-36 prewar average by a 12.5 percent boost over the level of fiscal 1956-57, as planned, it will be necessary to undertake the following:

1. Boost supply of fuel and energy resources since requirements will run high.
2. Increase key imports, mainly petroleum and raw materials for steel production.
3. Improve transportation facilities to eliminate over-congestion.

MITI cites the following as the bottlenecks hold-

ing up progress in fiscal 1957-58:

1. Electric power. 1957-58 will be the critical year. Even if water flow should be 5 percent above normal, the total production of hydro and thermal electricity will be 65,500 million kilowatt-hours, 13 percent more than in fiscal 1956-57, but 3 percent short of estimated requirements.

2. Steel. Production of ordinary steel in 1957-58 is expected to be 9.15 million tons, up 720,000 tons or 9 percent over the 1956-57 output. But if export of steel products runs up to 750,000 tons (700,000 tons in 1956-57), it will be necessary to import 1.2 million tons (480,000 tons in 1956-57) to keep up with overall requirements.

3. Rail transportation. According to Japanese National Railways estimates, freight haulage requirements in fiscal 1957-58 will increase by 8 million tons over that of 1956-57 to total 100.84 million tons. But capacity can be upped by only 4 million tons.

4. Coal. Production in 1957-58 is expected to go up to 5.2 million tons, as against the 4.8 million tons of 1956-57. But since requirements will be high imports of coal also will increase to 5.33 million tons, as against the 3.91 million tons of 1956-57.

Unless the above impediments are removed, supply will not keep up with demand; and the disparity will cause an increase in imports and a leveling off of exports. This could set off an inflationary trend. The Government therefore is concentrating effort upon countermeasures. Where the remedy lies in the upping of import purchases, bigger allocations of foreign exchange are being made available. Where increase in domestic production provides the solution, various incentives and promotional measures are being offered.

In the case of iron and steel, there is little need for production-boost funds so long as adequate foreign exchange allocations are granted for raw materials purchases. The steel producers now appear fairly capable of financing capacity expansion by amortization, borrowings and recapitalization.

However, government aid will be necessary for electric power and transportation capacity boosts. This fiscal aid will be forthcoming, in part, out of the General Account; but the bulk of the funds will come from government holdings accumulated from such government financial organizations as the postal savings system and the postal life insurance and annuities.

Government funds have grown as a result of the wave of prosperity, and estimates indicate a level of ¥324,600 million in fiscal 1957-58, 26.2 percent higher than at the end of fiscal 1956-57. The Government therefore plans to undertake financing of government and private projects by investment and

loans on the basis of the funds schedule shown in Table 2.

Because fiscal funds are thus plentiful, the Government proposes to hold the debenture issues (borrowings) of the government financial agencies at ¥84,500 million, 94 percent of the 1956-57 level. This action is intended, for one thing, to prevent the exerting of pressure on the private city banks.

2. FUNDS SCHEDULES, FISCAL INVESTMENT & LENDING

(In ¥ million)

	1955-56	1956-57 (A)	1957-58 (B)	B Vs. A (%)
Fiscal Funds	276,700	257,300	324,600	126.2%
Debtentures & Other				
Borrowings	52,100	89,900	84,500	94.0
Subtotal	328,800	347,200	409,100	117.0
Own Capital	185,700	212,700	312,900	147.1
Total	514,500	559,900	722,000	127.2

However, it is estimated that in 1957-58 the own capital resources of the government financial institutions will grow to ¥312,900 million, up 47 percent over the level of the preceding 1956-57 fiscal year. Since this too can be directed toward investment, the funds available for fiscal financing in 1957-58 will be some ¥722,000 million, 27 percent more than in fiscal 1956-57.

The Budget General Account for fiscal 1957-58 (Cf. Table 1) shows an increase over that of the preceding year of only ¥98,700 million (9.9 percent). But since the 1956-57 Budget was later supplemented by about ¥50,000 million, the difference between the two budgets tends to become even smaller. In this way, the General Account reflects little or no tendency toward positive expansion of the economy. But

the measures for growth are manifested strongly by the fiscal investment and lending phase of government finance. The areas to which fiscal funds will be made available are as shown in Table 3.

Let us now turn to the main effects on industry of the new Budget General Account and the disbursement of fiscal funds.

Japan Development Bank. The Japanese Government has been assisting the financing of key industries through this institution which is closely tied to government finance. In fiscal 1957-58, not only will this bank receive ¥25,000 million from fiscal funds, more than four times the ¥8,000 million of fiscal 1956-57, but with ¥35,000 million available through recovery of loans and carryovers, it will be in a position to extend some ¥60,000 million in credits. These will go, mainly, to the electric power companies and to the major shipowners. The power companies will get about double the amount received in fiscal 1956-57, while the shipping companies will get some 50 percent more. (Cf. Table 4 below)

For electric power, there will be forthcoming another ¥44,600 million from fiscal funds to the Electric Power Resources Development Company. This is ¥14,400 million more than in fiscal 1956-57. But on the other hand the plan for issuance of debentures (¥7,000 million worth in fiscal 1956-57) has been dropped.

Because the private power companies are planning on the undertaking of projects costing ¥215,000 million (1.71 million KVA of new construction, and 850,000 KVA of work in progress), the aforementioned fiscal funds will be far from enough; and they will doubtless be compelled to borrow considerable sums from the city banks as well as draw upon their own funds resources. The Electric Power Resources Development Company, however, will be able, on the strength of fiscal funds made available to it, to start new projects involving 300,000 KVA, and to carry on with the 1.05 million KVA it now has under construction, all according to plan.

Export-Import Bank. Although the fiscal funds made available to this bank have been reduced to ¥10,200 million, as against the ¥24,500 million of 1956-57, this will be no severe setback since loan recovery has been good and fund carryovers are numerous. All in all the credits extendable by this bank in fiscal 1957-58 come to ¥69,200 million (as against the ¥54,800 million of 1956-57). The main beneficiaries are those engaged in export of ships, heavy machinery, complete plants, &c. Also, the bank will be concentrating on the financing of overseas investment, reparation transactions, and overseas economic co-operation.

Japanese National Railways. Because, as has already been mentioned, transportation has become quite a problem, the JNR, in addition to its upping of fares and rates by 13 percent, on the average, is planning on increasing issuance of JNR bonds to make possible the undertaking of a 5-year plan for boosting haulage capacity. JNR's construction account will, in the first year of this plan, go up to ¥106,944 million. This should prove to be no small extra windfall for the rolling stock makers, who have a fair backlog of export orders, and are pressed to meet the demands of the private railroads.

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3. FISCAL INVESTMENT AND LENDING PLAN, FISCAL 1957-58

(In ¥ million)

	Fiscal Funds	Debentures & Borrowings	Subtotal	Own Capital, &c.	Total
I. To Private Projects					
Development Bank	8,000	—	8,000	28,000	36,000
Electric Power Dev. Co.	25,000	—	25,000	35,000	60,000
Export-Import Bank	30,180	7,000	37,180	700	36,480
Petroleum Dev. Co.	44,630	—	44,630	1,800	42,830
Hokkaido Tohoku Dev. Public Bank.....	24,500	—	24,500	30,300	54,800
Tohoku Dev. Corp.	10,200	—	10,200	59,000	69,200
Agriculture, Forestry, Fishery Public Bank	700	—	700	—	—
Aichi Irrigation Corp.	1,500	—	1,500	—	—
Forest Dev. Corp.	4,030	4,000	8,030	—	—
Other Agriculture, Forestry Fishery Dev. Projects	7,500	6,000	13,500	—	—
People's Public Bank.....	200	900	1,100	—	—
Small Business Finance Public Bank.....	500	2,000	2,500	—	—
Central Cooperative Bank for Commerce & Industry.....	21,000	—	21,000	8,000	29,000
Immovable Property Bank.....	25,000	—	25,000	10,000	35,000
Housing Finance Public Bank.....	4,200	—	4,200	—	—
Housing Corporation	3,200	—	3,200	—	—
Highway Corporation	1,000	—	1,000	—	—
Wage-Earner Welfare	900	—	900	—	—
Public Enterprises Bank	3,680	—	3,680	—	—
Teito Rapid Transit	—	—	—	—	—
International Air Service	12,500	—	12,500	40,000	52,500
Overseas Emigration Co.	20,000	—	20,000	48,500	68,500
Subtotals	14,500	—	14,500	16,500	31,000
Totals	20,000	—	20,000	21,500	41,500
Japanese National Railways	1,000	—	1,000	—	—
Telegraph, Telephone Corp.	3,500	—	3,500	—	—
Postal Service	—	—	—	—	—
Reclamation Settlers Fund	—	—	—	—	—
Land Improvement	—	—	—	—	—
Multipurpose Dams	—	—	—	—	—
Subtotals	750	—	750	—	—
Totals	19,600	—	19,600	8,200	27,800
Local Government Bonds.....	26,500	—	26,500	3,100	29,600
Totals	10,900	10,000	20,900	400	21,300
Japanese National Railways	21,500	15,000	36,500	—	—
Telegraph, Telephone Corp.	1,000	5,000	6,000	2,000	8,000
Postal Service	4,000	6,000	10,000	3,000	13,000
Reclamation Settlers Fund	5,500	—	5,500	—	—
Land Improvement	7,500	—	7,500	—	—
Multipurpose Dams	—	—	—	—	—
Subtotals	500	—	500	—	—
Totals	1,500	—	1,500	2,900	4,400
Japanese National Railways	2,500	—	2,500	3,600	6,100
Telegraph, Telephone Corp.	1,000	1,500	2,500	—	—
Postal Service	1,000	—	1,000	—	—
Reclamation Settlers Fund	—	—	—	—	—
Land Improvement	—	—	—	—	—
Multipurpose Dams	—	—	—	—	—
Subtotals	1,000	—	1,000	—	—
Totals	164,960	28,400	193,360	—	—
Japanese National Railways	227,150	30,500	257,650	—	—
Telegraph, Telephone Corp.	—	—	—	—	—
Postal Service	—	—	—	—	—
Reclamation Settlers Fund	—	—	—	—	—
Land Improvement	—	—	—	—	—
Multipurpose Dams	—	—	—	—	—
Subtotals	—	—	—	—	—
Totals	—	—	—	—	—
Japanese National Railways	5,500	24,000	29,500	28,900	58,400
Telegraph, Telephone Corp.	8,000	21,500	29,500	77,400	106,900
Postal Service	—	8,500	8,500	47,000	55,500
Reclamation Settlers Fund	—	9,500	9,500	53,800	63,300
Land Improvement	1,800	—	1,800	2,500	4,300
Multipurpose Dams	2,300	—	2,300	2,100	4,400
Subtotals	1,000	—	1,000	700	1,700
Totals	1,250	—	1,250	720	1,970
Japanese National Railways	900	—	900	—	—
Telegraph, Telephone Corp.	—	—	—	—	—
Postal Service	—	—	—	—	—
Reclamation Settlers Fund	—	—	—	—	—
Land Improvement	—	—	—	—	—
Multipurpose Dams	—	—	—	—	—
Subtotals	—	—	—	—	—
Totals	—	—	—	—	—
Japanese National Railways	1,000	—	1,000	—	—
Telegraph, Telephone Corp.	8,300	32,500	40,800	—	—
Postal Service	13,450	31,000	44,450	—	—
Reclamation Settlers Fund	84,000	29,000	113,000	—	—
Land Improvement	84,000	23,000	107,000	—	—
Multipurpose Dams	257,260	89,900	347,160	—	—
Subtotals	324,600	84,500	409,100	—	—
Totals	—	—	—	—	—

Notes: 1. Upper figures for each item, 1956-57 program; lower figures, 1957-58.

2. Included in "own capital" of the Highway, Aichi Irrigation, and Forest Development Public Corporations are the subsidies granted from the General Account.

3. Included in "Debentures & Borrowings" of Local Government Bonds are the loans to local governments in the form of debenture issues of the Public Enterprises Finance Public Bank.

4. "Fiscal Funds" covers both investment and loans.

4. JAPAN DEVELOPMENT BANK LOAN SCHEDULES

(In ¥ million)

	Fiscal 1957-58	Fiscal 1956-57
Electric Power Companies	25,000	12,000
Merchant Marine	18,000	12,700
Other Enterprises	12,000	11,300
Reserve	5,000	0
Total	60,000	36,000

5. JAPANESE NATIONAL RAILWAYS CONSTRUCTION ACCOUNTS

(In ¥ million)

	Fiscal 1956-57	Fiscal 1957-58
New Line Construction	5,500	7,000
Commuter Transportation.....	5,730	11,013
Main Line Transportation	2,600	9,691
Main Line Electrification.....	8,292	12,319
Conversion to Electric Car Service	0	1,508
Conversion to Diesel Cars & Locomotives	1,475	9,052
Rolling Stock Build-Up	800	10,700
Other Improvements	0	603
Replacements & Rebuilds	28,032	37,886
Total, including other outlays	58,371	106,944

Upon completion of JNR's 5-year plan, the principal trunk lines will be completely electrified, while the secondary trunk lines will be Dieselized,

Japan Telegraph and Telephone Corporation. This corporation is doing thriving business as a result of the recent jump in the use of telephones, particularly for long-distance calls, and the growing number of subscribers, the outcome of better availability of phones through steady expansion of exchange and other facilities. Fiscal 1957-58 is the final year of JTT's 5-year program for improvement and expansion of telephone facilities. During this year will be undertaken construction and installation work centering around improvement and consolidation of basic equipment and facilities, the budget being ¥63,300 million, ¥7,800 million more than in 1956-57. The highlights of the construction program are given in Table 6, below.

6. JAPAN TELEGRAPH & TELEPHONE CORPORATION
FACILITIES EXPANSION

	Fiscal 1956-57	Fiscal 1957-58
Increase in Subscribers	185,000	185,000
Increase in Long-Distance (interurban)		
Lines	454,000 km	457,000 km
Increase in Big City Exchanges	19 stations	33 st.
Exchange Changed to Dial System	51 stations	95 st.
Microwave Installations	5 circuits	15 cir.

Because of the overall expansion of electric power, rail, and communications facilities, such industries as the electric wire and cable manufacturers are bound to enjoy even higher activity than they do now. The demand for copper wire, for instance, is expected in 1957-58 to rise to about 140,000 tons or more, some 40,000 to 50,000 tons above the 1956-57 level. The requirements in aluminum wire also are expected to increase by 5,000 tons to reach the 11,000-ton level.

Highway Construction. The total projected outlay for road construction in 1957-58 stands at ¥77,600 million, of which ¥54,800 million will come from the Treasury, with the balance of ¥22,800 million to be

paid by the local governments. This amount is ¥28,000 million more than in 1956-57.

Of the ¥77,600 million, some ¥67,200 million will be used for new construction, improvement, and paving of open public thoroughfares, and the balance of ¥10,400 million will be expended through the Highway Public Corporation on construction of toll roads. Among these, noteworthy is the inclusion, at long last, of the high speed motorways. This is of great significance; for, although the rail system will undergo expansion and improvement at enormous cost, the transportation problem cannot be solved by rail alone. As a basic approach toward betterment of transportation facilities the motorways project is an important step in the right direction.

Harbor and Port Facilities. For ship terminal improvement there will be outlaid ¥7,200 million, some 50 percent more than the ¥4,900 million of 1956-57. This will speed up the wharf construction now under way at 12 major ports, and also the improvements needed at the petroleum discharging ports.

Housing. Japan is now short in dwellings by some 2.7 million units. In order to overcome this deficiency in four or five years, the Government plans on construction of at least 500,000 units in 1957-58 (430,000 starts in 1956-57). Government financing of this build-up will cover 199,000 units, at a cost of ¥73,700 million (¥51,200 million for 176,000 units in 1956-57) to be disbursed through the General Account, the Housing Finance Public Bank, and the Japan Housing Corporation.

Petroleum Development, Hokkaido and Tohoku Development Companies. Government aid for oil exploration and prospecting will be upped to ¥1,500 million, as against the ¥800 million of 1956-57. Since Hokkaido and the Tohoku areas are the two major underdeveloped regions of Japan, the funds for improvements have been increased.

Central Motorways Plan

THE state of Japanese roads can be readily understood from the fact that the 553 kilometer stretch of National Highway No. 1, (running along the Pacific coast between Tokyo and Osaka), supposedly the best and most important road, has only 65 percent (357 kilometers) of its length adequately paved, the remaining 35 percent being gravel covered. Moreover, other conditions are so bad that over some 24 percent of the distance vehicles cannot pass without reducing speed. With even the best highway in such poor shape, it goes without saying that all existing roads are in grievous need of improvement and proper maintenance.

General Concept of the Central Highways

Nevertheless, it has become increasingly obvious that mere betterment of existing highways will not

add appreciably to Japan's economic well-being. For one thing, the industrial centers of the nation—Tokyo, Nagoya, Osaka, Fukuoka, and other areas—have developed along railway lines, while the highways system also has grown with and out of these industrial complexes. Consequently, these already developed areas have come to the point where because of topographical, transportation and other conditions further growth and progress are becoming increasingly difficult. It is therefore felt that effort expended in improving the highways serving the established centers of industry will not contribute notably toward the nation's overall economic advancement.

A basically different approach is needed for the establishment of an effective highways policy. Some

80 percent of Japan's territory comprises mountainous terrain and wilderness; only 20 percent is relatively flat and level land. It is on this level ground that the present industrial areas are clustered; and in this narrowness of the land lies the basic impediment to further industrial growth.

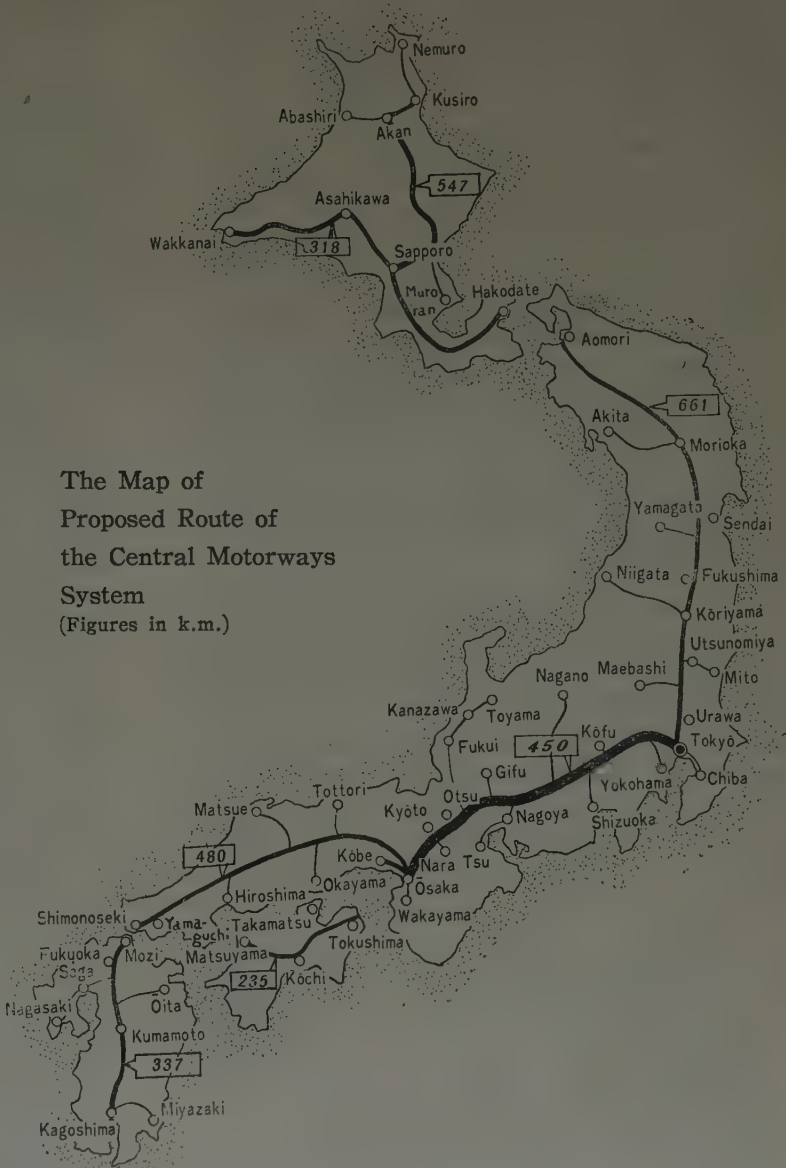
The central highways plan proposed by the Ishibashi Government calls for a system of roads, laid lengthwise along the Japanese islands and covering those central mountainous areas which heretofore have been beyond the reach of railways and serviceable roads. The purpose, therefore, is manifold: not only will new areas be opened up for development, with access provided to undeveloped mineral and forest resources, but the means will be afforded for quick and safe highway travel from city to city. Stands of virgin timber will be harvested, highland pasturage will be brought within easy reach of the cities for dairyfarming purposes, new hydro-electric power projects will be undertaken, while new industries will take root and grow in hitherto inaccessible regions. Furthermore, additional tourist areas will be provided, while highland towns in scenic and pleasant surrounding will undoubtedly thrive.

The longitudinal, central motor highways system was originally proposed by the Tanaka Plan, authored by Chairman Seiichi Tanaka of the Fuji Seisakusho, who contended that for Japan to live peacefully and comfortably despite her growing population and loss of overseas territory it would be imperative to undertake unequivocal development of the relatively untouched 80 percent of Japan's land. For this purpose, he advocated the construction of a central system of highways, running lengthwise along the mountainous backbone of the Japanese islands.

The original Tanaka Plan envisioned the laying of a direct route through the central mountainous area of Honshu to provide the shortest motoring distance between Tokyo and Osaka. The present central motorways plan extends the system to reach the northernmost point of Hokkaido, and the southern end of Kyushu, as shown in the subjoined map.

The projected National Development Central Motor Highways system comprises six separate highways or trunk lines. The aggregate length of these six routes comes to 3,028 kilometers, and when the feeder and spur lines, connecting the trunk lines to the major cities, are included, the total kilometerage comes to 5,925, costing an estimated ¥1,265,500 million.

The trunk line roadwidth is set at 22 meters,



The Map of
Proposed Route of
the Central Motorways
System
(Figures in k.m.)

minimum; while the feeder and spur lines will have a width of at least 18 meters. This is not at all unusual, considering the superways built in Germany and the United States. But by Japanese standards, the projected motorways system will be revolutionary, since the present first class roads are but 7.5 meters wide.

1. ROUTES & DISTANCES, CENTRAL MOTORWAYS SYSTEM	
Route	Distance (Km.)
Chuo Motorway (Tokyo—Osaka)	450
Tohoku Motorway (Tokyo—Aomori)	661
Hokkaido Motorway (Hakodate—Kushiro)	547
Hokkaido Motorway (Sapporo—Wakkanai)	318
Chugoku Motorway (Osaka—Shimonoseki)	480
Shikoku Motorway (Tokushima—Matsuyama)	235
Kyushu Motorway (Moji—Kagoshima)	337
Total	3,028

The trunk lines and other lines will be two-lane highways with a dividing belt of two-meter (trunk) or one-meter width, and with curves and grades so designed that even through mountain country it will be possible to maintain speeds of from 80 to 120 kilometers per hour. This is close on the fantastic considering the present 20 to 30 kilometer average

on ordinary roads, and the 40 k.p.h. average of the nation's non-express trains. Table 2 shows the reductions in transit time that will become possible upon completion of the projected highways system.

2. TIME ELAPSED, TOKYO AS STARTING POINT

	By Central Motorways		By National Rlys.		By Present Roads	
	Km.	Hours	Km.	Hours	Km.	Hours
Kagoshima	1,262	14 1/2	1,494	29 3/4	1,385	46 1/4
Hiroshima	775	9 3/4	892	16 1/2	845	28 1/4
Osaka	450	4 1/2	554	10	530	17 3/4
Nagoya	303	3 1/3	263	6	330	11
Sendai	350	3 5/6	347	6 3/4	345	8 2/3
Aomori	660	7	735	14 3/4	685	22 5/6

Where today an ordinary express train takes 10 hours to cover the distance between Tokyo and Osaka (17 hours at least by car over the present highway), it will be possible to travel in four and a half hours. The time from Tokyo to Aomori will be reduced to 7 hours; and from Tokyo to Hiroshima, to 14 hours, in both cases half the present train time.

The project, now definitely a national undertaking as a result of Premier Ishibashi's decision, will start from the 1957-58 fiscal year (April 1957 through March 1958). The first year will see the carrying out of preliminary surveys and investigations, so the appropriations for the purpose by the Ministry of Construction and the Ministry of Transportation are respectively only ¥47 million and ¥5 million. No decision has yet been made as to which government agency will take charge of the project,

so it will doubtless be necessary to effect co-ordination and proper division of work between the two ministries involved. Consequently, the construction work proper will probably start in fiscal 1958-59. In this connection, the Ministry of Transportation has in readiness a ten-year plan for improvement of motor highways (phase one), which calls for the completion in ten-years of the important trunk system, and the undertaking of another ten-year plan (phase two) for extending and filling out the whole national network.

Under the first ten-year plan, the following work will be undertaken:

a. Completion of the Tokyo—Osaka route in 5 years; and, while this is going on, completion in from 5 to 7 years of the improvements on the highway systems of Tokyo, Nagoya, Osaka, Yokohama and Kobe, which will be served by the new central motorway, and construction of all approach and connecting roads.

b. Completion, within ten-years, of the Tokyo—Aomori route (Tohoku Road), the Chugoku Road (Osaka—Shimonoseki), the Moji—Fukuoka section of the Kyushu Road, and the Hokodate-Sapporo section of the Hokkaido Road, as well as improvement of the Fukuoka area highways.

Under the second ten-year plan, the following are projected:

1) Central motorways system—

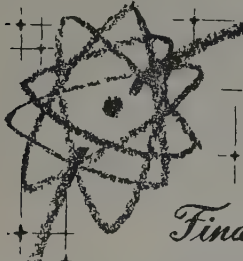

Completion of the remaining portions of the Hokkaido Road (Sapporo-Wakkanai and Sapporo-Kushiro sections, 645 kilometers); and of the Kyushu Road (Fukuoka-Kagoshima, 240 kilometers). Start and completion of the Shikoku Road (235 kilometers).

2) Important local highways—

- Feeder lines for the Chuo Road (660 km)
- Feeder lines for the Tohoku Road (790 km)
- Feeder lines for the Chugoku Road (270 km)
- Feeder lines for the Hokkaido Road (415 km)
- Feeder lines for the Shikoku Road (190 km)
- Feeder lines for the Kyushu Road (295 km)

The ten-year plan (phase one) of the Ministry of Transportation is as summarized in Table 3, and it covers construction of 2,180 kilometers of motor highways at an estimated cost of ¥650,000 million. The details of the second ten-year plan have not yet been worked out; but under this program some 3,745 kilometers of roads will be built at an estimated ¥618,000 million. Consequently, according to the plans of the Transportation Ministry, there will be built some 5,925 kilometers of highspeed roads over a period of twenty-years, the cost being some ¥1,265,500 million.

The super-highways project has for its goal the development of potential national resources. This is a new concept, involving build-up of the nation's economy through development of heretofore inaccessible areas. Consequently, it is expected that the indirect results of the construction work will be considerably greater than the direct advantages result-

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ing from speedy linkage between the key urban and industrial centers, and from spendings on materials and labor.

The direct benefits, however, will be tremendous. There will be outlaid, over a period of twenty-years, the huge sum of ¥1,240,000 million for purchase of cement, steel, construction equipment, and labor. The last named will be of such magnitude that the nation's employment level will be affected in no small degree. The estimates are that the Chuo Road alone will require, on the average, 23,240 man-years of labor each year, with at least 74,000 workers regularly employed.

3. TRANSPORTATION MINISTRY HIGHWAYS
IMPROVEMENT 10-YEAR PLAN
(1st Phase)

Route	Length (Km.)	Cost (¥100 million)
1. Trunk Lines		
Chuo Motorway (Tokyo—Osaka)	450	1,570
Tohoku Motorway (Tokyo—Aomori)	660	1,540
Chugoku Motorway (Osaka—Shimonoseki)	480	1,180
Kyushu Motorway (part) (Moji—Fukuoka)	100	200
Hokkaido Motorway (part) (Hakodate—Sapporo) ..	220	660
Subtotal	1,910	5,150
2. Local Lines		
Tokyo Area Throughways	60	300
Osaka Area Throughways	50	250
Nagoya Area Throughways	40	200
Fukuoka Area Throughways	40	200
Tokyo—Yokohama Throughway	40	200
Osaka—Kobe Throughway	40	200
Subtotal	270	1,350
Grand Total	2,180	6,500

But as already stated, the indirect benefits will be so large as to defy evaluation. Access to and exploitation of undeveloped resources, reduction of travel and haulage time, and accelerated turnover of commodities are among the major advantages looked forward to.

Because the projected motorways lie along the central highlands of the Japanese islands, travel across the rugged spine will be facilitated and better communications will be maintained between the coastal strips on both sides. This should make for an expanded zone of economic activity, and the following resources will come to be utilized:

1) Undeveloped land areas will be opened up—some 3,340,000 *Chobu* (*Chobu*=2.45 acres) or 72 percent over the currently utilized 4,610,000 *Chobu* of lowland terrain.

2) As against the 1,330,000 *Chobu* now in use for dairy farming, an additional 990,000 *Chobu* (74 percent) will become available.

3) Virgin stands of timber will become accessible. Along the projected routes alone, some 2,800 million *Koku* (*Koku*=120 board feet) can be harvested. This will be of immense value since Japan's annual require-

ment in lumber comes to about 100 million *Koku*.

4) Hydro-power projects can be undertaken for industrial development.

As for the time-saving aspect of the motorways, it has already been explained how the projected highways will cut travel to at least half of present train time. Moreover, when it comes to haulage of freight, trucks can deliver from portal to portal, eliminating the handling, damage, and delays that are unavoidable when shipping by rail. With distances cut down, the economic or market value of the heretofore handicapped areas such as the Tohoku, Southern Kyushu, and the Japan Sea side of Honshu will closely approach that of such centers as the Tokyo-Yokohama area, the Osaka-Kobe area, and the North Kyushu complex.

The third indirect benefit will be the development of industries requiring the dry clean air of the highlands, such as precision instrument manufacturing; while the wood working and processing industries, because of availability of materials should also flourish.

Fourthly, the speed up of freight haulage should reduce the stock level which has had to be maintained by manufacturers and distributors. This will contribute in no small way toward reduction of working capital requirements, and of the interest burden, resulting in lower prices all around.

Other possible advantages are too numerous to list. For instance, it may be possible to transfer some of Tokyo's overcrowded millions to the healthy, scenic and expansive foothills of Mt. Fuji. They would be within easy commuting distance (one hour) of downtown Tokyo. It will also be possible to open up a new tourist center in the rugged, craggy Akaishi Range area.

One final word about the construction costs. There are some who fear that because the projected routes cut through the roughest mountainous portions of the country, the engineering difficulties will be excessive and construction costs will be overwhelmingly high. It should be noted that these disadvantages are completely offset by the low cost of land along the projected routes. Construction on level ground is cheaper, it is true, but land purchases in thickly populated areas tend to be extremely costly. For instance, the new Chuo Road certainly will not cost more than the Construction Ministry's projected superway involving much of the present Tokaido (National Road No. 1) highway along the Pacific coast.

Qualitative Strengthening of Defense

THE Ishibashi Government on January 8 came to a decision on the Budget policy for the 1957-58 fiscal year, and in connection with defense expenditures the announcement was made that "effort will be made

in regard to gradual increase of defensive strength with emphasis on qualitative improvements. However, in view of the past absorption of budget appropriations, the appropriations [this year] will be kept

as low as necessity permits." In other words, the plan is not to be too concerned about increasing the numerical force of ground troops, and to concentrate more on modernization and improvement of weapons and equipment. Needless to say, this policy was the basis of the Japanese Government's negotiations with the United States Government, which began on January 16.

On January 20, the talks resulted in agreement on the following points: the Defense Agency appropriation for fiscal 1957-58 will be ¥800 million more than that of fiscal 1956-57 (¥100,200 million), with the amount earmarked for furnishing of facilities and for MAAG expenses the same as before (¥10,500 million).

Japan's share of the United States security outlays* will be in accordance with the formula agreed upon on April 25, 1956, and will be reduced by ¥400 million, one-half the increase in Self-Defense Agency and facilities funds, to make ¥29,600 million (as against the ¥30,000 million of fiscal 1956-57).

All in all, the total defense expenditures for fiscal 1957-58 will be ¥141,100 million, ¥400 million more than in fiscal 1956-57.

1. DEFENSE EXPENDITURES

(In million yen)

	Fiscal 1957-58	Fiscal 1956-57
Self-Defense Agency.....	101,000	100,200
Security Outlays Share.....	29,600	30,000
Facilities Extension Fund	9,955	9,955
MAAG Expenses	610	610
Total	141,165	140,765

Source: Ministry of Finance.

In some quarters, the fear was expressed that the Ishibashi Government's action in holding down defense outlays at about the same level as for fiscal 1956-57 while going ahead with its "¥100,000 million Tax Cut" and "¥100,000 million Spending Program" might adversely affect future United States-Japan relations. However, in view of the fact that 1) there remained more than ¥20,000 million unspent of the 1956-57 Defense Agency appropriation; and 2) there will be ¥6,700 million more in fiscal 1957-58 than in 1956-57 in contract authorization and other spendings for defense, it cannot be said that national defense is being neglected. Moreover, in connection with America-Japan relations the Prime Minister's policy speech of February 4 makes it clear that "in regard to national defense it is the intention of the Government to base its actions on the principle of joint United States-Japan security; and with consideration given to world events, to endeavor a consolidation of the self-defense forces with emphasis on quality rather than on quantity." This statement has done much to eradicate apprehensiveness about America-Japan friendship.

From Police Reserve to Self-Defense Force

Before going into the details of the fiscal 1957-58 defense budget, a brief explanation will be attempted of the evolution of the present Self-Defense Force.

For some years after Japan's World War II defeat, there existed no armed force whatsoever for self-

defense and security. But when in June, 1950 there occurred the Korean outbreak which resulted in the removal of the bulk of the United States forces from Japan, there was created a National Police Reserve, a lightly armed security force for the maintenance of internal peace and order. On August 10, 1950 was promulgated the ordinance establishing the National Police Reserve, and a force comprising 75,000 men was created. The purpose of this body was defined as: "Maintenance of internal peace and order, and supplementation of the police power of the National and Local Police organizations to the extent necessary for guaranteeing protection of public interests." It could be mobilized for action by the Prime Minister "when specially necessary for maintenance of peace and order." Subsequently on May 27, 1952, the manpower of the National Police Reserve was raised to 110,000; while on April 26, 1952 the Maritime Safety Law was amended in part to permit the organization of the Maritime Defense Force under the Maritime Safety Board.

On August 1, 1952, in line with the general rearrangement of the administrative system to meet the requirements of the independence restored by the Japanese peace treaty, the National Police Reserve and the Maritime Safety Board were combined to form the National Safety Board; and the land forces were renamed the "Safety Force," and the sea force the "Coast Guard," the purpose of these forces being "maintenance of internal peace and order, and action when specially necessary for protection of life and property." With this reorganization, the equipment of the two forces underwent considerable improvement.

Later, with changes in the world situation, and with the necessity of strengthening Japan's self-defensive establishment, the growing "safety" forces were again reorganized and assigned to defense of the nation against direct aggression and attack. With the enactment of the National Defense Agency Establishment Law on July 1, 1954, the Self-Defense Force Law came to be promulgated, and there was established, in addition to the land and sea forces, a new air force.

In the administrative set-up, the National Defense Agency started out as one of the branches of the Office of the Prime Minister. Subsequently, there took place yearly boosts in manpower of the defense

* Note. Japan's share of the United States security outlays is in accordance with Article 25, Paragraph 2-b of the United States-Japan Administrative Agreement, and is disbursed to the United States Security Forces to cover part of the procurement of services and goods in Japan. The facilities extension fund is in accordance with Article 25, Paragraph 2-a of the United States-Japan Administrative Agreement, and is applied to facilities and areas furnished by Japan for the use of the United States Security Forces, and to compensation for damages resulting from acts of these forces or personnel. In addition, there is the fund made available to cover part of the expenses of the Military Assistance Advisory group formed under the provisions of Article 7 Paragraph 2 of the United States-Japan Security Pact.

forces, and build-up of facilities and equipment. The outlays indicate the scale of growth: whereas in fiscal 1954-55, when the Defense Agency was first formed, its budget stood at only ¥74,300 million, the amount rose to ¥86,800 million in fiscal 1955-56, and further to ¥100,200 million in fiscal 1956-57.

2. GROWTH OF THE SELF-DEFENSE FORCES

1950.....	75,000 (National Police Reserve)		
1951.....	110,000 (Safety Force)	10,323 (Coast Guard)	
	Ground SDF	Maritime SDF	Air SDF
1954.....	130,000	15,808	6,287
1955.....	150,000	19,391	10,346
1956.....	160,000	22,716	14,434
1957.....	160,000	24,146	19,925

Source: Defense Agency.

Increase in Outlays for Qualitative Improvement

As mentioned at the outset the outlays for defense planned for fiscal 1957-58 have been set at ¥141,100 million. Of this amount, ¥101,100 million is budgeted for the National Defense Agency, ¥800 million more than in fiscal 1956-57. This appropriation is broken down as follows: ¥50,200 million for the Ground SDF, down ¥3,700 million from the fiscal 1956-57 amount; and ¥21,900 million for the Maritime SDF, down ¥900 million from the 1956-57 level. The reasons for these reductions are: 1) there remain some ¥20,000 million unspent for Ground and Maritime SDF facilities and equipment; 2) this has resulted in the criticism that Defense Agency budgeting has been loose; and 3) the rule this year will be to use up all appropriations within the fiscal year. When the surpluses carried forward from fiscal 1956-57 are considered, the amounts available to the Ground and Maritime SDFs are not less than in fiscal 1956-57.

The Air SDF is being given ¥25,600 million in fiscal 1957-58. This is ¥5,500 million more than in fiscal 1956-57, and here the trend is the reverse that of the Ground and Maritime Forces. The reasons for this preference are: 1) laggardness, as compared to the other forces, of build-up of air strength; and 2) the importance of air strength as a means of boosting the nation's self-defensive strength.

3. ALLOCATION OF DEFENSE APPROPRIATION

(In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Comparison
Ground SDF	50,246	53,968	(-) 3,721
Maritime SDF	21,925	22,854	(-) 929
Air SDF	25,553	20,020	(+) 5,533
Auxiliary Facilities ..	3,274	3,357	(-) 82
Total	101,000	100,200	(+) 800

Source: Ministry of Finance.

The figures are as set forth above, but when non-budgeted contracts (contracts with dates of completion or delivery extending beyond the fiscal year involved) and extended repair expenditures (for contracts extending over several years, for instance, vessels construction) are counted, the defense effort in fiscal 1957-58 will be far greater than the figures show. The non-budgeted contracts for fiscal 1957-58 amount to as much as ¥20,100 million, ¥5,800 million more than the ¥14,300 million of fiscal 1956-57. The new extended repair expenditures for vessel construction amount to ¥3,700 million, ¥900 million more than in fiscal 1956-57.

Consolidation of the Air Self-Defense Force

What then is the thinking of the National Defense Agency in regard to manpower and equipment of the three SDFs on the basis of the fiscal 1957-58 budget? Because the "Ground SDF 10,000 men boost" has had to be abandoned, the present organization of two regional groups (West Japan and Hokkaido), six district groups (Kanto, Hokkaido (2), Kinki, Kyushu, and Tohoku), and three mixed brigades (Hokkaido, Kyushu, and Tohoku) will remain unchanged, with a total of 160,000 men. But by the end of fiscal 1957-58, the reservists will be increased to 11,000, up 3,000 as compared to fiscal 1956-57. Also, whereas to date most of the ammunition was obtained from the United States Security Forces, it is planned from fiscal 1957-58 to do as much of the procurement as possible in Japan. For this purpose a sum of ¥900 million or so has been set aside.

This plan for domestic procurement of ammunition is aimed at maintenance of production facilities by local manufacturers. Build-up of these facilities progressed considerably as a result of procurement by the United States Government after the outbreak of the Korean fighting; but because of subsequent decline in volume of orders, there is the fear that these facilities may undergo reconversion. The National Defense Agency therefore plans to purchase ¥935 million worth of ammunition during 1957-58.

4. GROUND SELF-DEFENSE FORCE ORGANIZATION

End, fiscal 1954-55	End, fiscal 1955-56	End, fiscal 1956-57	End, fiscal 1957-58
1 Regional Group	2 Regional Groups	2 Regional Groups	2 Regional Groups
6 District Groups	6 District Groups	6 District Groups	6 District Groups
—	2 Mixed Groups	3 Mixed Groups	3 Mixed Groups

Source: Defense Agency.

Quite apart from this, the Ministry of International Trade and Industry also is ready, with an appropriation of some ¥70 million, to undertake maintenance and upkeep of ammunition production facilities.

The Sea SDF will have its personnel increased by 1,430 men by the end of fiscal 1957-58 to bring the total up to 24,146. The tonnage of vessels will be increased by 10,581 tons (27 units) over the present 102,603 tons (417 units) to bring the total up to 113,184 tons (444 units). Of the projected increase, 5,524 tons (11 units) will be built in Japan on the strength of the fiscal 1957-58 budget, while 5,057 tons (16 units) are expected to be furnished by the United States in accordance with the United States-Japan Security Pact. Among these additional units will be three frigates of the 1,800-2,100 tons class, five mine-sweepers of about 350 tons each, and one submarine chaser of about 340 tons. The remaining eighteen units are miscellaneous boats of small size (less than 10 tons).

Aircraft assigned to the Sea SDF numbered 73 at the end of fiscal 1956-57 (excluding auxiliary craft). These will be increased by 101 units to bring the total strength up to 174 planes by the end of fiscal 1957-58. The new additions will include 10 PV2-7s,

28 S2Fs, 37 SNJs, and 26 SNBs, all to be furnished by the United States.

The Sea SDF organization will therefore be strengthened thus:

- 1) formation of a training group; 2) expansion of the fleet air arm; 3) establishment of an officer candidates school; and 4) expansion of existing training facilities.

5. SEA SELF-DEFENSE FORCE STRENGTH

	End fiscal 1954-55	End fiscal 1955-56	End fiscal 1956-57	End fiscal 1957-58
Vessels	82,000 tons 374 units	93,000 tons 383 units	102,603 tons 417 units	113,184 tons 444 units
Aircraft....	43 units	93 units	73 units	174 units

Source : Defense Agency.

The Air SDF in fiscal 1956-57 had an authorized strength of 14,434. In fiscal 1957-58 the personnel will be increased by 5,491 to bring the total strength up to 19,925. At the end of fiscal 1956-57 the number of aircraft maintained stood at 499 units. This

6. AIR SELF-DEFENSE FORCE STRENGTH

(In units)

Type of Craft	End, fiscal 1956-57	End, fiscal 1957-58	Increase
Combat (first line)			
F86.....	131	276	145
C46	29	35	6
KAL	1	1	0
S55.....	0	4	4
Subtotal.....	161	316	155
Training			
T34.....	110	132	22
T 6.....	118	161	43
T33.....	108	212	104
Subtotal.....	326	505	169
Experimental	2	4	2
Total	499	825	326

Source : Defense Agency.

will be upped to 825 units by the end of fiscal 1957-58. Of the new additions, 155 planes will be active combat craft, while 169 will be trainers and 2 will be experimental craft. In consequence, the total number of planes at the end of fiscal 1957-58 will be 316 combat planes, 505 trainers, and 4 experimental planes.

For the Air SDF build-up in fiscal 1957-58, the United States will furnish a total of 94 planes—45 F86s, 6 C46s, and 43 T6s.

Expected Military Aid

As will be clear from the foregoing, considerable progress has been made in making the defense force self-supporting. Nevertheless, the dependence on military assistance extended by the United States in accordance with the Security Pact continues to be heavy, with vessels for the Sea SDF and planes for the Air SDF to be received as outlined above. There will be in addition the following aid during fiscal 1957-58:

- 1) Ground SDF
 - a. Replacement of outworn equipment by drawing from United States—furnished surpluses, with the remainder procured in Japan.
 - b. Ammunition of various types.
 - c. Training of personnel in the United States.
- 2) Sea SDF
 - a. Armament for vessels, ammunition, manuals and other information.
 - b. Training of personnel in the United States.
- 3) Air SDF
 - a. Furnishing of communications and other air-

craft equipment.

- b. Training of personnel in the United States.
- c. 3rd phase of the aid for production in Japan of F86s and T33s.

As for the last mentioned of the forms of assistance to be extended by the United States, the plan calls for the completion of 120 F86s by the end of fiscal 1959-60, and of 30 T33s by the end of fiscal 1958-59. As the subjoined table shows, this means that the project calls for the production of a total of 300 F36s and 210 T33s.

7. JAPANESE PRODUCTION OF F86 AND T33 AIRCRAFT

(In units)

	Fiscal Year	1st Phase	2nd Phase	3rd Phase	Total
F86	1956-57.....	20	..	..	20
	1957-58.....	50	50	..	100
	1958-59.....	..	60	60	120
	1959-60.....	..	..	60	60
	Subtotal	70	110	120	300
T33	1955-56.....	2	..	..	2
	1956-57.....	48	..	..	48
	1957-58.....	47	57	..	104
	1958-59.....	..	26	30	56
	Subtotal	97	83	30	210

Source : Defense Agency.

6-Year Plan for National Defense

Because the appropriation of the Defense Agency for fiscal 1957-58 has not increased appreciably over that of fiscal 1956-57 some critics contend that the 6-year plan for national defense* may not be feasible. However, because of the reasons outlined below, such criticism appears to be unwarranted. For one thing, it is clear, from what has been explained, that by the end of fiscal 1957-58 the strength of the defense organization will be, at least quantitatively, very close to the goal set by the 6-year plan; so there should be no great difficulty in achieving the projected build-up if necessary by the end of fiscal 1960-61, the final year of the 6-year plan. Secondly, in connection with the assertion that self-support is desirable, the thinking that prevailed when the 6-year plan was first conceived calls for considerable revision. It has become increasingly manifest that instead of quantity, the requirements tend more and more toward quality. Consequently, at the present stage serious thought will have to be given to this basic problem and to the following points:

- 1) the dependence is too high on the United States for supply of simple and easily produced weapons and equipment.
- 2) some of the arms, including aircraft and vessels, furnished by the United States verge on obsolescence.
- 3) difficulties are encountered in reaching agreement with the United States on production in Japan of the more modern and important items of armament.

It must be noted, however, since the Ishibashi Government is pledged to undertake qualitative build-up of defensive strength that there is every possibility of the difficulties mentioned disappearing one by one.

* Note. Because the 6-year plan drafted by the Defense Agency has never been formally referred to and passed by the National Defense Council it is not an official government plan. The key points of this plan are: starting in fiscal 1955-56 to build up by the end of fiscal 1960-61 the Ground SDF to 180,000 men, the Sea SDF to 124,000 tons in vessels, and the Air SDF to 1,300 planes.

Industry

Cameras

Rising Output of Better Cameras

THE history of Japan's camera industry is not at all a long one though it was in 1903 that Konishiroku Photo Industry first succeeded in fabricating a hand camera. During the Second World War, the optical industry was promoted by all means as part of munitions production. Nippon Kogaku K.K. played a key role in those days. It is in fact since the war's end that camera making has made remarkable progress in scale and technique. At the time of the Korean war, American cameramen at the front recognized the superiority of Japanese lenses, and the *Life* magazine gave good publicity to this fact. It was only in 1950. Such encouragement was thus offered that Japan's camera industry has since been making unprecedentedly rapid headway.

In a matter of five years from 1950 to 1955, camera production increased by 8.7 times from 117,481 to 1,021,236 units, according to the Ministry of International Trade & Industry's survey. As shown in Table 1, the Japan Camera Industry Association's statistics reveal that output rose by over 50% in 1952 and 1953, and that though a slowdown was seen in the following two years, the upcurve again approached the 30% mark in 1956. Monthly production climbed up above the 100,000 unit mark in June and jumped to 121,262 units, or an all-time record, in October, 1956.

Despite such production boost, the industry in fact has experienced a series of vicissitudes according to the wild fluctuations of business conditions as may be noted in the downturn of the increase tempo during 1954-55. The Korean war boom during 1952-53 substantially stimulated domestic demand, but the market soon got saturated, with the adoption in 1954 of the deflationist policy coupled with the shrinkage of public purchasing power. This slackening of local demand gave a serious blow to twin-lens reflex

cameras, which had been most popular among the general public. In the latter half of 1954, therefore, makers were forced to start underselling campaigns, vying with one another, to the extent that some of them had to wind up their business. It must be noted, however, that 35-mm high-class camera makers were not involved in this reckless rivalry.

To cope with this situation, makers of medium quality and low-class cameras strived for designing of newer models or turned to 35-mm camera production. In this way, an increasing number of makers came to concentrate efforts upon fabrication of 35-mm lens cameras with range finders, partly because it was relatively easy for them to adjust their production facilities for making this sort of cameras and partly because general camera users came to prefer 35-mm cameras to the elementary twin-lens reflex type as their knowledge and technique got gradually advanced. For such improved 35-mm cameras of medium quality, demand markedly grew not only among new clients but also among those who had been using old types, and it was further accelerated by the rising popularity of color film.

As may be clear from Table 2, production steadily dwindled for the twin-lens reflex type in striking contrast to the sharp increase for 35-mm lens cameras, and a similar contrast took place between semi-six cameras without range finders and those with range finders. Other performances, too, were improved remarkably. At present, most of the medium quality cameras have F2.8~2.0 lenses, 1/500~1/1000-sec. shutters, and synchro-flash and self-cocking devices.

At the root of the surprising improvement, Japan-made cameras have been, be it emphasized, 1) the steady elevation of popular fans' knowledge and technique and their preference to improved cameras, and 2) the subsequent competition among makers for better devices and performances. In one word, there has been a comparatively wide market at home, giving great impetus to the industry at all times.

1. CAMERA PRODUCTION & DELIVERY

(In units)

	Production	Index*	Domestic Sales	Index*	Exports	Index*	Month-end Inventory	Index*
1952	416,779	156.5	255,345	178.0	155,480	108.6	—	—
1953	632,616	151.8	479,781	187.9	134,934	86.8	—	—
1954	883,630	139.7	650,575	135.6	179,588	133.1	—	—
1955	990,142	112.1	752,001	115.6	251,753	140.2	—	—
1956: January-June	561,889	126.5	410,672	—	144,686	149.4	—	—
July	100,559	108.8	68,343	103.0	37,801	162.1	54,125	79.3
August	111,478	126.1	75,726	129.8	38,637	133.7	50,755	74.2
September	116,939	129.6	69,306	101.7	47,330	150.9	50,691	86.0
October	121,262	139.9	67,765	103.7	52,474	221.9	52,129	92.6
November	116,733	120.8	63,993	102.6	44,049	154.1	60,028	97.9
January-November	1,128,861	—	755,808	—	364,947	—	—	—

* The preceding year as 100 for 1952-55, and the like term or month of 1955 as 100 for 1956.

Source: Japan Camera Industry Association (Covered in this table were 21 companies in 1952 and 1953, 26 firms in 1954 and 1956, and 27 concerns in 1955. Midget cameras and interchangeable lenses are excluded).

2. CAMERA PRODUCTION BY TYPE (In percent)

	Quantity		Value	
	1952	1955	1952	1955
35-mm Focal Plane	11.5	11.4	26.6	30.8
35-mm Lens	9.1	35.3	10.1	29.6
Twin-lens Reflex	40.8	34.2	35.1	22.1
Semi-six with range finder....	5.3	12.4	7.1	13.6
Semi-six without range finder..	33.3	6.7	21.1	3.9
Total	100.0	100.0	100.0	100.0

Source: Japan Camera Industry Association.

Exports Getting Brisker

When domestic demand got top-heavy in 1954 as already mentioned, makers started more energetic efforts than ever for promotion of overseas sales. For their export surplus steadily expanded as they did not slow down their production despite the contraction of sales at home. From the national point of view, it was, and still is, necessary and recommendable to boost camera exports, because cameras are made almost entirely from materials available at home so that the rate of foreign fund earnings stands at nearly 100%.

Leading makers resorted to all sorts of promotional measures: 1) Nippon Kogaku, Canon Camera, Konishiroku Photo Industry, Kowa Koki, etc. set up their branches or sales firms in the United States, by far the best market for them; 2) Riken Optical Industries, Canon Camera, Konishiroku Photo Industry, Yashima Kogaku, Chiyoda Seiko, etc. started making special cameras exclusively for export purpose; and 3) all the makers cooperated closely for establishment of the Japan Camera Service Center in New York, sponsoring of a camera show and a photo contest in Chicago (in which prize winners were to be invited to Japan for sight-seeing) and for many other joint campaigns. Makers of medium standing, too, exerted themselves for greater sales abroad through despatch of travelling salesmen, opening of sole agencies and other measures.

Destinations are scattered all over the world. Major customers are shown in Table 3. It can be seen that the export market has undergone a notable change. In 1954, JCE (Japan Central Exchange of the U.S. forces) bought 67% of the total, whereas shipments to the United States stood at only 6.6%. In the following years, JCE's purchases gradually dwindled, contrasted to the growth of direct sales to the United States. It is also noteworthy that South America and Canada have been gaining in importance as camera outlets, though their shares are yet far smaller than that of the United States.

The increased sales to the United States are ascribed not only to the trade efforts by the makers but also to the technical betterment of Japanese cameras, especially high-class ones. For instance, Japan-made 35-mm focal plane cameras now are making inroads on the U.S. market for such German brands as Leica and Contax. They have won worldwide reputation as first-class cameras in every re-

spect. Not only that, they are cheaper than German counterparts. As for high-class cameras requiring more craftsmanship as well as manual labor, production cost here is comparatively low because of the lower wage level.

This has not been the case with medium quality cameras. As these have already been mass-produced in Germany, Japanese makers have been unable to compete in price with German competitors. In order to overcome this handicap, however, they are trying hard for greater production and better management, thereby to build up their competitive power on the world market.

It is also to be noted that cameras were first exported to China in 1956. Good hope exists that shipments to this vast market will increase in the future.

The rising popularity in Japan of 8-mm cinema cameras deserves mention. Four brands—Canon-8, Elmo, Arco and Cinemax—have already been put on sale. But it will be long before they will find such a wide market as 35-mm cameras have at home and abroad.

3. CAMERA EXPORTS IN VALUE BY DESTINATION (In percent)

	JCE	U.S.A.	Canada	South America	U.S. Forces	Travellers
1954	67.5	6.6	1.9	3.4	1.6	0.5
1955	44.4	21.2	5.1	8.0	8.0	2.8
1956: Nov.	25.0	39.2	3.4	6.2	6.2	5.0

* Midget cameras and interchangeable lenses are not included.

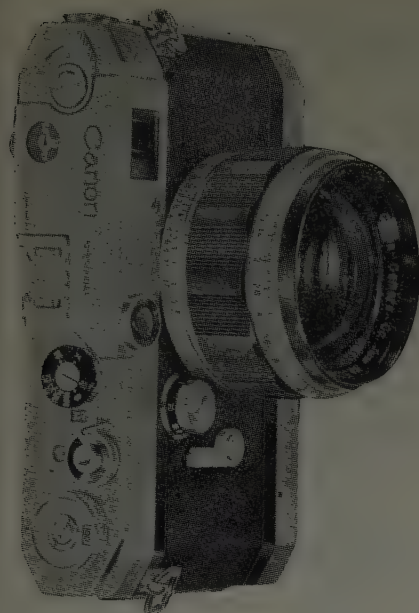
Source: Japan Camera Industry Association.

Operating in this field in the days of the 1952-53 boom were as many as 90 companies. But the number has dropped to 50 or so, most of which are minor interests. Nine big companies, which account for nearly 80% of the total production, will briefly be surveyed in the following.

Nippon Kogaku Kogyo

This representative optical company of Japan was established in July, 1917, through merger of Tokyo Keiki Seisakusho's optical department and Iwaki Seizoshu's Glass reflector department. With Mitsui Gomei's financial backing, it was capitalized at ¥2 million. Insofar as optical equipment and material for both military and civilian use were concerned, Japan had been dependent entirely upon purchases abroad, mostly from Germany. With the stoppage of optical glass imports after the outbreak of the First World War, therefore, a loud clamor occurred in both government quarters and business circles for the earliest possible promotion of the optical industry, inclusive of optical glass manufacture. From the military point of view, too, it was urgently necessary to attain self-supply in optical equipment as in munitions. Hence the smooth establishment of this firm through all the interests concerned.

During the Second World War, the company expanded its scale in rapid succession and manufactured solely optical arms and equipment in accordance with the request of the defense service. In the



"...THE MOST ADVANCED 35mm CAMERA OF OUR DAY"

The comment above is typical of the overwhelming professional acclaim that has already greeted the new Canon VT. **Quite honestly, no simple enumeration of features can fully do justice to the Canon VT.** You must look at it, handle it, use it to get a full picture of this wonderful new camera, and its stature among 35mm cameras. The serious photographer will find it equals even the most complex picture assignment. And the novice will bless its lack of popular gadgets, and its dedication to a new simplicity of operation.

There are many reasons for the enormous interest in the new Canon. Its new single-stroke trigger divides the basic operational motions between both hands, leaving your trigger finger always ready to shoot. **Precious time is saved between exposures!** Parallax is gone, for Canon automatically adjusts your auxiliary viewfinder as you focus. **A new concept...** Canon's tri-position, built-in viewfinder permits the use of 50mm or 35mm as 'normal' focal lengths, **in addition** to their magnified RF or focusing setting! And with Canon's new, high-speed lenses (35mm f:1.8 and 50mm f:1.2), the field of available light photography is expanded more than ever. Canon's new lenses, incidentally, offer the use of their high-speed, wide-open apertures without compromise of resolution quality! **Ease of loading?** Swing Canon's fully hinged back completely open—its unique roller design keeps film flat and taut.

But these are only features—a few of them. There is also Canon precision and durability, that have made Canon a new standard by which all camera mechanisms are measured.

THE NEW

Canon

SYSTEM OF PHOTOGRAPHY

CANON CAMERA CO., INC. TOKYO-NEW YORK

later war years, it operated 19 plants, with 23,000 employees, all over the country, its capital increased to ¥50 million. Upon the end of hostilities, it closed all its plants except that at Oi, near Tokyo, reducing its employees to not more than 1,500, and turned to optical equipment for civilian use, particularly cameras. This conversion to civilian production was confronted with a lot of difficulties, technical or otherwise. But the company finally overcame them by pursuing the "quality first" policy, and step by step built up a good reputation at home and abroad for its techniques and products. Clients all over the world frankly recognize that Nikon cameras and Nikkor lenses are superior even to German counterparts. Since 1950, both production and delivery have been rising in rapid tempo, and business results improving term after term.

The company at present is capitalized at ¥465 million compared with its inaugural ¥3 million. In the business term ending with September, 1956, six-month sales topped the ¥1,000 million mark. Of this turnover, cameras comprised 73%, telescopes 10%, cinema equipment 4%, precision measuring instruments 3%, surveying equipment 3%, microscopes 2% and others 5%. Thus, it is seen that, though all sorts of optical equipment and supplies are made, cameras and lenses thereof are by far the most important product. In the same term, the company earned a profit of ¥119 million and paid a dividend of 15% per annum.

About 2,100 cameras are being made every month, of which about 60% is for export purpose. The best customer is, needless to mention, the United States. Nippon Kogaku (U.S.A.), Inc., was set up in New York in July, 1953, capitalized at ¥50,000. This American subsidiary is selling Nikon cameras and others through Nikon, Inc. (a sales firm incorporated by Mr. Joseph Ehrenreich who has 30 years' experience in camera and photo supplies business) to retailers all over the United States. With the consolidation of the sales network coupled with the marketing of a new model (Nikon-S2), Nikon cameras began to sell like pancakes in successful competition with Leica and Contax. The Nikon brand now is said to compare favorably or even excel the world-famous German makes in every respect.

Nikon cameras have thus established an unchallengeable position on the world market. The company certainly will stick to its traditional "quality first" principle and further bolster its business.

Canon Camera

This is a successor to the Seiki Kogaku Kenkyusho, which was set up in November, 1933, by President Tsuyoshi Mitarai to conduct researches on and manufacture 35-mm high-class cameras. Researches and experiments were pushed with such vigor that 35-mm cameras were successfully made in 1935. And they were named "Kwanon." The trade name was soon changed to "Canon" and put on sale aggressively.

sively.

As camera production was gradually put on the right track, the Seiki Kogaku Kenkyusho in August, 1937, was formally incorporated into a joint-stock company, with authorized capital at ¥1 million, entitled Seiki Kogaku Kogyo K.K. In 1939, a new lens plant was built so that cameras and lenses might be made through the integral process. Lenses were named "Serenar." In the same year, Roentgen photographic equipment was also made and marketed under the trade name "X-ray Canon."

During the Second World War, particular emphasis was placed on optical equipment for military use just as the case with all other firms in this field. In 1945, the company boosted its capital to ¥3 million in order to expand its production scale. But the war soon came to an end.

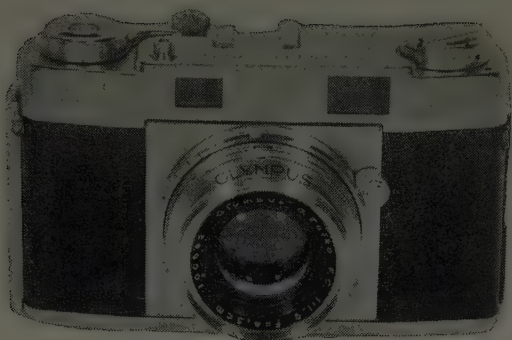
Upon the war's termination, the company again specialized in Canon cameras and X-ray Canons. In February, 1946, Canon-J without range finder focusing was put on sale. The new model was before long changed into Canon-SII with range finder focusing, which was marketed in September, the same year.

One year later, or in September, 1947, the company again changed its name into the present Canon Camera Co. In order to meet the growing purchase offers at home and abroad, positive steps have since been pursued for expansion and streamlining of its plants and equipment. New cameras and lenses have been made and marketed one after another. In this way, the company has consolidated its fame as one of the best camera makers in the world. The trade name "Serenar" was also changed to "Canon Lens" in 1953. Increased six times, its capital now comes to ¥400 million compared with Nippon Kogaku Kogyo's ¥465 million.

Its head office and plant located by Tama River, a little away from the Metropolitan bustle, the company is fabricating 3,000 cameras per month with 1,100 employees. Of this turnout, nearly 70% is for overseas sales and 30% for domestic delivery. To bolster sales in the United States, a network of retailers was tightly organized through the company's New York agency. Moreover, a New York branch was established in September, 1955, not only to take charge of publicity service in the United States but also to promote sales to other countries.

A new model Canon-VT was announced in 1956. Together with Nippon Kogaku Kogyo's Nikon-S2, this is recognized as the best 35-mm camera in the world. It is also to be noted that a cinema camera has recently been marketed under the trade name "Canon-8."

The company now ranks first among Japanese camera makers in production and exports. As shown in Table 4, it accounts for 20% and 30%, respectively, of the nation's total output and overseas sales. In the latter half of 1956, semi-annual sales totalled ¥1,154 million, netting a profit of ¥105 million (the dividend rate at 25%). A new camera plant is un-



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der construction. With high efficiency and high pay as its motto, the company is introducing scientific management methods so that its future outlook looms brighter than ever.

Chiyoda Kogaku Seiko

The history of the company dates back to November, 1928, when President Kazuo Tajima started making midget cameras at a small plant by the Mukogawa in Hyogo prefecture in cooperation with a German. At first shutters, to say nothing of lenses, were imported from Germany, and only bodies were manufactured at the plant. In 1932, Mr. Tajima abandoned the tieup with the German and established his own ¥300,000 firm entitled Molta Shokai. At the same time, the trade name "Minolta" was adopted for his cameras. Soon after that, the firm succeeded in making shutters. In 1935, lens imports were suspended, and arrangements were made with local lens makers for supply of necessary lenses. A new plant was built at Amagasaki in the following year, where manufacture of twin-lens reflex cameras was first started in Japan. Another plant was constructed at Sakai in 1937 to launch upon lens production. Simultaneously, the company was reorganized into a joint-stock concern and renamed Chiyoda Kogaku Seiko K.K. with authorized capital at ¥1,500,000. To meet the growing military needs for optical equipment, two more factories were built at Komatsu and Itani (the latter for optical glass production). In

1945, however, the Mukogawa, Komatsu and Amagasaki plants were burnt to ashes due to U.S. air raids.

With the termination of the Second World War, the company moved its head office to Osaka where it now stands. And a new plant was constructed at Toyokawa, Aichi prefecture, in September, 1946. Thus, well-coordinated integral production plans were mapped out so that one model might be fabricated at one plant, optical glass supplied from the Itani Plant—namely, Minolta-Reflex at Osaka, Minolta-35 at Sakai and Semi-Minolta at Toyokawa. This integral setup has since been left untouched. Increased six times in rapid succession, its capital has been set at ¥560 million since January, 1957.

Hand in hand with American traders, the company has been stepping up positive measures for the greatest possible camera sales to the United States. In 1954 (from October, 1956 to September, 1956), camera exports totalled ¥125 million, and the figure rose to ¥186 million in 1955 and to ¥447 million in 1956. In the last year, overseas sales came to comprise as much as 36% of the total turnover. In an attempt to further expand overseas shipments, the company now is pushing plans for equipment expansion at the Sakai Plant, where newly-installed equipment will be put into partial operation in the middle of 1957. As from the latter half of 1957, therefore, monthly output will jump to 24,000-25,000 units from the present 15,000-unit level.

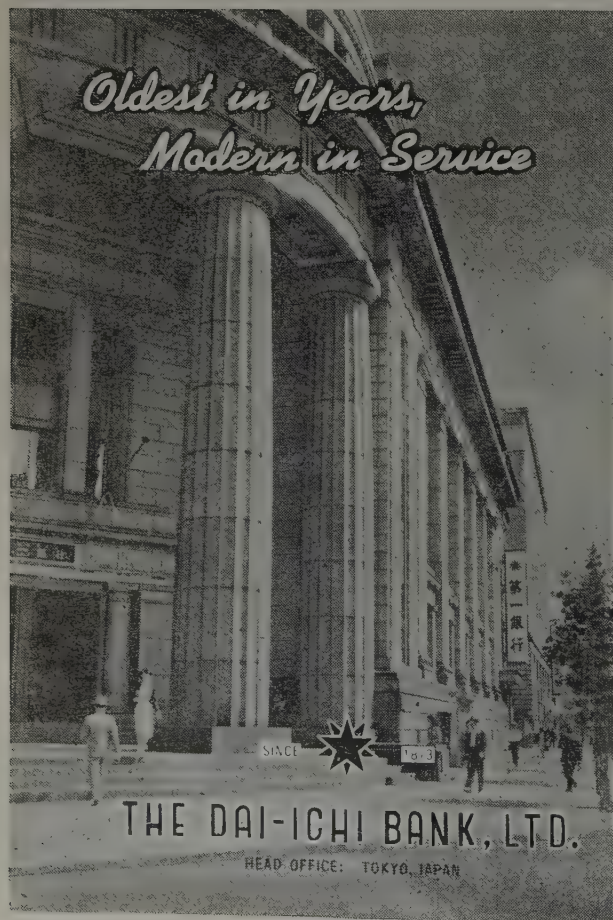
In the business term closing with September, 1956, six-month sales summed up to ¥777 million, netting a profit of ¥62 million (the dividend rate at 15% per annum). Business conditions will further improve upon the completion of the expansion works now under way.

Riken Optical Industries

It is since the end of the war that this company has made a surprisingly rapid advance in this industry by adopting measures for mass production. In terms of quantity, it now is the biggest camera maker in Japan, though it was originally established for sensitized paper making.

In view of the remarkable recovery and brightening prospects of camera business, Riken Optical Industries made a new after-war start in March, 1953, by absorbing again the afore-mentioned Asahi Seimitsu Kogyo and its sales agency, Aiko Shoji. Simultaneously, it increased its capital to ¥60 million. Boosted three times more thereafter, its authorized capital now stands at ¥500 million. Camera and sensitized paper plants are all concentrated at Omori in the southern part of Tokyo. Among them, the camera plant built in 1954 boasts of up-to-date mass production equipment. Working at these plants are 1,057 employees in all.

When twin-lens reflex cameras were in great vogue in the early postwar years, the *Ricohflex* brand caught the fancy of camera fans at home and abroad. As 35-mm cameras gained popularity at the



sacrifice of twin-lens reflex cameras, the company tried hard for remodeling and improvement of the *Ricohflex*, on the one hand, and, on the other, for fabrication of 35-mm cameras under the trade name *Ricoh-35 de luxe*. Including all sorts of cameras, the company now is making about 30,000 units per month, or the largest output by a single maker in Japan, of which nearly one half is sold abroad. It also occupies first place in terms of the number of cameras exported as the result of its unstinted trade efforts.

In the April-September 1956 term, sales turnover added up to ¥1,104 million, of which cameras represented 70% and sensitized paper 30%. Net profits reached ¥58 million with the dividend rate at 12% a year. The company is persistently following a very positive policy in both fields. Not only its camera plants are being expanded, but also arrangements have been signed for cooperation in sensitized paper business with General Anilin & Film Corporation, or the biggest firm in this industry in the United States.

Olympus Optical

This company is manufacturing on a substantial scale cameras as well as microscopes though it started business for making high-class microscopes. In fact, it is a successor to Takachiho Seisakusho established in October, 1919, which specialized in microscope making. It was in 1936 that the company made an ambitious entry into the camera industry. In those days, camera became one of the most popular hobbies, but imported cameras almost monopolized the local market, especially in the case of high-class ones.

To challenge this situation, the company dared to commence lens production and marketed 75-mm F4.5 Zuiko lenses. Later it succeeded in manufacturing even F1.5 lenses for the first time in Japan, and put on sale Semi-Olympus cameras.

With the aggravation of the war situation in the Far East, two plants were built at Suwa and Ina, Nagano prefecture, in accordance with the wartime deconcentration program, and they were mobilized entirely for military requirements. Upon the war's end, the company lost no time in re-converting to civilian business; microscopes were again made at the Ina Plant and cameras at the Suwa Plant. In 1947, the Olympus-35 was marketed and F2.8 lenses were successfully manufactured. It was in November, 1949, that the company name was changed to Olympus Optical Co.

The Tokyo Plant, reduced to ashes in time of war, was restored in 1950 and succeeded in tentative manufacture of high-class twin-lens reflex cameras in the following year. The company now is making a wide variety of cameras, such as 35-mm, twin-lens reflex and semi-six types. Among these, the automatic Olympus 35-S is well known as one of the best 35-mm cameras made in Japan.

Microscope production in Japan is almost monopolized by this company, which accounts for 55% of the total output.

With ¥330-million authorized capital and 1,000 employees, the company stands on a firm rock, pursuing at all times a sound business policy. Early in 1955, however, it was involved in the reckless underselling competition to the extent that it had to reduce by 8% its dividend payments. Fortunately, business conditions have since been turning for the better due to the adoption of effective counter-measures.

Monthly output is estimated at ¥20 million for microscopes and ¥85 million for cameras. In the last business term ending with October, 1956, sales reached nearly ¥700 million, and net profits ¥85 million. And the dividend was paid at the rate of 15% a year.

Sales campaigns had long been concentrated on the domestic market for both cameras and microscopes. In September, 1956, however, a long-term export contract was concluded with Brockway Camera Co. in New York on condition that 5,000 cameras should be sold per annum for five consecutive years. It is expected that with this as the turning point, overseas sales will grow appreciably as in the case of other makers. In this light, plans are under way to expand the Suwa Plant by constructing a large ferro-concrete building and replenishing machines and equipment. As for microscopes, good hope exists that shipments to China will get brisk. So the company is ready to boost this division as well.

Mamiya Camera

Mamiya Koki Seisakusho, a predecessor of this firm, was established in May, 1940, under joint management of Mr. Tsunejiro Sugawara, who invested capital, and Mr. Seiichi Mamiya, who offered technical service. At present the former is president and the latter technical adviser. Based upon the back focusing mechanism developed by the latter, the Mamiya-6 brand, the first camera of this kind full of ingenuity and originality in Japan, was manufactured immediately after the establishment of the plant, and its fabrication was continued even during the Second World War.

After the war, the company started making itself shutters and lenses as well in 1946. In the following year, it succeeded in fabricating and marketing a new twin-lens reflex model, Mamiya-6 Junior, incorporating in it for the first time a coupled range-finder mechanism. In 1949, the Mamiya-6 Automatic, again the first automatic camera in Japan, was put on sale with good success. In this way, a new device after another was introduced into the Mamiya cameras.

It was in December, 1950, that the private business of the two promoters was formally reorganized into a ¥18-million joint-stock corporation and, at the same time, adopted the present title "Mamiya Camera".

In line with the successful business boost, it increased its capital, three times which now comes to ¥105 million.

To promote sales to the United States, the company in 1953 opened a branch in New York, to say nothing of its efforts for greater deliveries at home. Current production stands at 3,000 units a month for the Mamiya-6, or the main product, 2,000 units for the Mamiya-35s, 300 units for the Mamiyaflex, and 500 units for the Mamiya-Super 16s. These, together with their accessories, are well received on the local and overseas markets.

Business conditions have been fairly good of late. In the semi-annual term ending with September, 1956, sales turnover reached ¥554 million, and profits amounted to ¥32 million with the dividend rate declared at as high as 30% a year.

Fuji Photo Film

Taking over the photo film department of Dainippon Celluloid, this company was incorporated in January, 1934, with authorized capital at ¥3 million. In the following month, its main plant at the foot of Mt. Hakone was put into operation. Production there increased by leaps and bounds: cinema film output, for instance, jumped well over 10 million ft. a month in 1940 from the initial level of only 30 ft. As the result, not only film imports decreased to nil, but also overseas sales gradually increased.

In time of war, production was concentrated on infra-red ray film and other sensitized materials for military purposes, and output for civilian use got stagnant. After the war, both production and delivery of sensitized materials picked up year after year with the growth of the camera mania. In addition, new cameras, such as the Super Fujica-6 and the Fujicaflex, have been marketed. Not only that, lenses made of a new variety of optical glass containing some rare elements have been offered under the trade name "Fujinon".

In 1948, the company finally commenced the mass production of color film. It further succeeded in making non-inflammable cinema film toward the end of 1954 and incombustible Roentgen film in the following year.

Production capacity in the past few years is listed item by item in Table 5. It can be seen that monthly capacity more than trebled for film and nearly doubled for sensitized paper. The company thus practically monopolizes cinema film production in Japan, accounting for as much as 97% of the nation's total. Inclusive of roll film and Roentgen film, it comprises 70% of the total film production.

Capitalized at ¥2,500 million, or far bigger than even the largest camera firm, the company now is operating three plants at Ashigara, Odawara and Imaizumi, where 4,688 employees are working in all. In the April-September 1956 term, sales amounted to ¥7,150 million, netting a profit of ¥826 million. And a 20%-a-year dividend was declared. A new

model camera, the Super Fujica-6M, has recently been offered to camera fans.

Konishiroku Photo Industry

The pioneer of the camera and sensitized material industries is none other than this company, the history of which dates back eight decades ago. It was in June, 1876, that the late Mr. Rokuemon Sugiura opened his shop, Konishi Honten, for importation and retailing of cameras, photo supplies and lithographic machines. A cornerstone for the camera industry was first placed in 1882 when Konishi Honten set up a small plant. In 1903, the first hand camera was successfully manufactured, and it was named the Cherry camera.

In 1902, an independent factory, Rokuosha, was established for research on and manufacture of sensitized materials, plates and sensitized paper in particular. It was in October, 1929, that home-made film was first marketed under the trade name "Sakura" (Japanese for the English word "Cherry"). Color film was put on sale in 1940.

Konishi Honten and Rokuosha were reorganized into a ¥7-million joint-stock company, entitled Konishiroku K.K. in December, 1936. Seven years later or in April, 1943, the company name was again changed into the present one, Konishiroku Photo Industry. Due to the wartime expansion, it developed into an all-embracing photo industry and optical firm, capitalized at ¥16.5 million, operating 7 plants and 2 institutes when the war was over.

Upon the end of hostilities, civilian production was resumed at five of these plants, while the other two were closed down. In 1949, color film, for which production had been suspended in time of war, was again put on sale. New cameras were made and marketed in rapid succession: the Konica in 1947, the Pearl in 1950, and both the Koniflex and the Konilet in 1953.

With a view to preparing for the successful competition with German interests, the company in 1952 concluded an agreement with the Konica Camera Company (set up by its representative in Philadelphia) for distribution and service all over the United States. Two new models—the Konica IIB-m and the Konica III—are selling very well at home and abroad. The latter is being made at the rate of 5,000 units per month. It is watched with great interest and concern that the company is now striving to boost the monthly capacity to 10,000 units.

In the film department, or the main line, black and white cinema film production has been started, and research for natural color film is proceeding appreciably.

Authorized capital now stands at ¥1,800 million, and employees total 3,625. Business results are encouraging. In the April-September 1956 term, sales of both sensitized materials and cameras reached ¥3,140 million, netting a profit of ¥274 million, and a 20%-a-year dividend was paid as in the preceding terms.



AERIAL VIEW OF TOYOTA MOTOR PLANT!

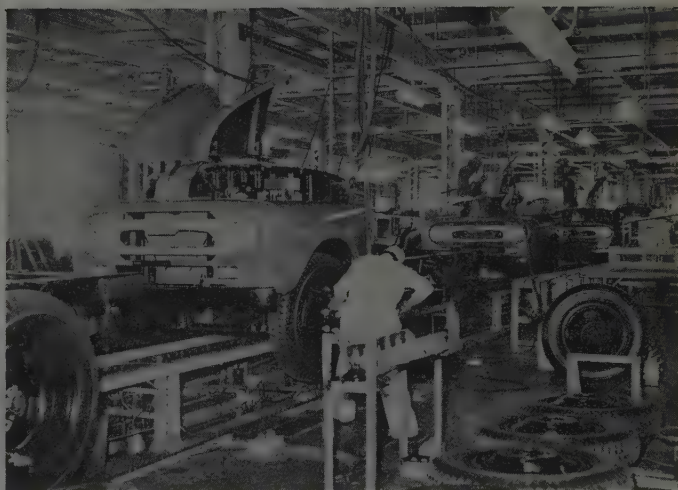
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The Toyota Motor Company is an offspring of the world famous Toyota Automatic Loom Works near Nagoya, Japan. The initial work of automotive research was started in 1933 at this textile machine factory and after 4 whole years of experimentation, production was started in 1937.

Toyota Motor Company is located on the outskirts of Koromo City, 30 kilometers east of Nagoya City. Plant's site extends over 520 acres of land. The present paid-in capital and accumulated surplus amounts roughly to US\$25,000,000 as of November end 1957 (most-recent account closing date) and total assets over US\$50,000,000.

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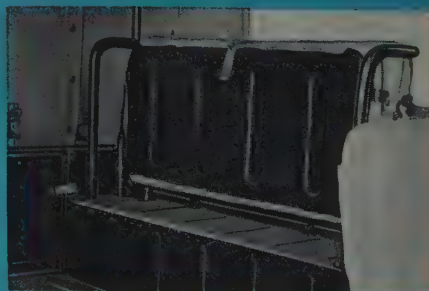
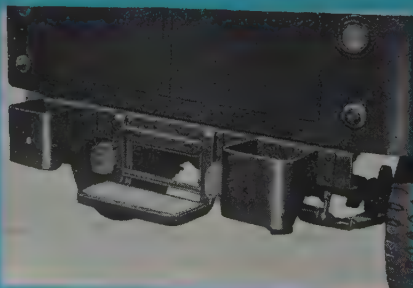
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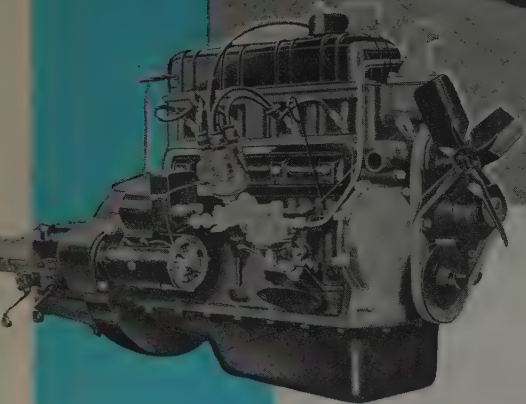
Striking new styling and many improvements in engine, chassis, and body design, along with the long-established fame of Toyota trucks for power, economy, durability, make this new Toyota Truck Model FA60 your top choice in its class.



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Kaleidoscope

Diet Lineup:—The party standing at the 25th Diet session at the time when it was reconvened after the New-Year Holiday on January 30 was as follows: House of Representatives—Liberal-Democratic, Liberal-Democrats, 299; Socialists, 156; Minor parties, 3 (including 2 Communists); vacancies, 9; total, 467. House of Councillors—Liberal-Democrats, 126; Socialists, 81; Ryokufukai, 29; Mushozoku Club, 8; Independents, 3; Communists, 2; vacancies 1, total, 250.

1957 Budget:—The net totals of the fiscal 1957 budget (inclusive of the general special accounts and overlapped portions omitted), submitted for reference to the National Diet by the Ministry of Finance on February 8, stood at ¥2,619,528,000,000 in revenue and ¥2,494,728,000,000 in expenditure, marking the gains of ¥164,048,000,000 and ¥146,453,000,000, respectively, over the equivalents in the fiscal 1956 budget. Details of the fiscal 1957 budget's net totals are as follows (in million yen): Revenue—general account, 1,137,464; special accounts, 2,325,847; total, 3,463,312; overlapped items, 811,246; balance (net total with overlapped items omitted), 2,652,065; government bond reconversion, 811,246; final net total, 2,619,528. Expenditure—general account, 1,137,464; special accounts, 2,200,241; total, 3,337,706; overlapped items, 810,440; balance (net total with overlapped items omitted), 2,527,266 government bond reconversion 32,537; final net total, 2,494,728.

Economic Growth:—Japan's economic growth in the three years, fiscal 1955 to fiscal 1957, as surveyed by the Economic Planning Board stands as follows:

JAPAN'S ECONOMIC GROWTH
(Gains over Preceding Year)

	*Fiscal 1955	**Fiscal 1956	***Fiscal 1957
National Income	11.0%	12.0%	7.5%
Production	12.5	21.0	12.5
Private Investments.....	20.9	39.3	8.3
-A	19.7	28.0	15.0
-B	5.7	38.5	15.0
-C	64.7	52.8	—
Consumption	6.9	9.4	7.5
Exports	30.8	18.4	12.9
Imports	10.7	34.4	10.0
Employment	3.6	1.5	2.1
Wholesale Prices	(-)3.5	6.0	2.6
Retail Prices	(-)1.1	1.2	0.9

Notes: *Actual results; **partly estimated. ***estimated.
(-) decreases. Private investments -A... individual housing;
-B... manufacturers' equipments; -C... goods in stock.

Corporate Results:—The rising ratio of net profit to net sales, the boost of internal reserves out of profit gains and the slight deterioration of capital composition (slipping net worth and hiking liabilities) were the three major features of corporate results of 131 leading companies for the first half of fiscal 1956 (April to September) as surveyed by the Ministry of International Trade & Industry. The MITI survey revealed: 1) the turnover ratio of total liabilities and net worth increased from 1.23 for the preceding term (October, 1955 to March, 1956) to 1.33, and the ratio of net profit to net sales climbed from 3.1% to 3.4%. 2) On the other hand, the ratio of dividend in the appropriation of surplus slipped from 35.5% to 29.9%. 3) in the composition of corporate capital, the ratio of net worth stood at 37.4% against the ratio of liabilities at 62.6% as compared with 39.2% against 60.8 for the preceding term, thus

indicating increasing dependence on liabilities. This trend was particularly noteworthy with chemical fibres, ball-bearings, optical machines, chemical fertilizers, petroleum, glass, marine transportation and gas.

Corporate Incomes:—With the business boom still in swing, 94 major corporations (with capital exceeding ¥100,000,000) reported larger incomes for the six-month term ended October, 1956, according to the report released by the Tax Administration Agency on January 16. Cotton spinning and iron-steel particularly forged ahead in the term under review. The 10 top leaders were as follows (declared incomes in the six-month accounts settled in October, 1956: in million yen): 1) Toyo Spinning, 2,410 (1,913 in the preceding term); 2) Kawasaki Steel, 2,065 (682); 3) Dai Nippon Spinning, 1,458 (745); 4) Kurashiki Spinning, 1,164 (448); 5) Fuji Film, 1,072 (1,047); 6) Daiwa Spinning, 1,067 (739); 7) Nisshin Spinning, 870 (768); Kane-gafuchi Spinning, 788 (654); Kubota Iron, 764 (571); Nippon Cement, 726 (702).

Foreign Currency:—Japan's foreign currency holdings as of the end of January totalled \$1,355,230,000, according to the Ministry of Finance. The breakdown was: \$1,022,670,000 in U.S. dollars, \$65,010,000 in pounds sterling and \$267,550,000 in outstanding accounts with the Open Account Area.

Savings:—The increase in savings during the April-December period in 1956 totalled ¥1,089,600 million, marking a gain of 25% over the same period a year ago and far eclipsing the official goal of ¥940,000 million, according to the Bank of Japan. The gains were overall with all monetary organizations with the lone exception of agricultural cooperatives.

HIKE OF PRIVATE DEPOSITS
(In ¥100 million)

	1956	1955
Banks	6,333	5,136
Agri. Cooperatives.....	929	924
Mutual Banks.....	481	365
Credit Banks	729	497
Postal Savings	1,548	1,075
Life Insurance Cos.	680	525

Notes: Private deposits are total deposits minus governmental and other public deposits, deposits by monetary institutions and bills and cheques in hand. For the 9-month period from April to December.

Agriculture:—Japan's farm production in calendar 1956 was the second largest in history with the index standing at 119.1 (on the basis of 100 for the 1950-52 average), according to the announcement by the Ministry of Agriculture & Forestry on February 7. The 1956 index, however, was 4.9% lower than the equivalent index for 1955 which registered the largest crops of all farm products, particularly rice. Roughly classified, dairy products in 1956 made an active gain with the index registering 187.1 (110.1 against 1955's 100) with milk topping all dairy products with the notable increase to 251.3 (115.8). Fruits gained to 149.2 (122.3). Rice registered 109.8 (88.1 against 1955's 100) while barley-wheat stood at 104.8 (95.7). Compared with the prewar average index (1933-35), the composite 1956 index stood at 121.5 with cereals (including rice, wheat, etc.) at 128.6 dairy products at 252.6 and silk-raising at 31.8. It may thus be noted that stock-raising has been replacing sericulture in the postwar composition of Japanese agriculture.

The Changing United Nations

By Kosaku Tamura

Revision of the Charter Demanded

No diplomatic document can escape the influence of the times in which it was written. The Charter of the United States is no exception to the rule. The frame-work of the Charter had been shaped at the Dumbarton Oaks Conference in the autumn of 1944, when the issue of the Second World War was still uncertain, and to outward appearance at least Germany and Japan still seemed immensely strong. Under the circumstances, it is natural that the authors of the Charter have been laboring under the impact of the times. It seems to me that they were swayed by the four assumptions: that the future peace and security of the world can only be attained by the complete defeat and the total disarmament of Germany and Japan for all time to come; that the post-war world should be controlled by the five Great Powers (America, England, France, Soviet and China) which contributed chiefly to the defeat of Germany and Japan; that these five Great Powers can eternally maintain their military alliances formed during the war against Germany and Japan, though not in letter but in spirit; that these five Great Powers are the firstclass peace-loving nations like angels or doves and shall never attempt to bully the small and weak nations.

That these four assumptions were the leading principles for the drafting of the Charter can not only be found in the structure, competence and voting method of the Security Council, central organ of the United Nations, but also in the statements of the leading authors of the Charter. In the report to the President of the United States, Secretary of State Stettinius, the chief delegate of the United States had this to say that "the cornerstone of world security is the unity of those nations which formed the core of the Grand Alliance against the Axis" and that "the maintenance of their unity is the crucial political problem of our time." In explaining the character of the Security Council, Stettinius continued to say that "it is not a traditional alliance in that it is an integral part of a general international organization," but this explanation is merely formal one. In substance the Security Council has, as will be proved later on by the provisions of the Charter itself, been conceived as a military alliance against Germany and Japan. The Stettinius' report states: "It (the Security Council) is organized as to afford full opportunity for the Great Powers to maintain in the post-war era their essential unity," and "the prestige of the Security Council, its influence in world affairs generally, and its success in the maintenance of peace and security will depend upon the degree to

which unity is achieved among the Great Powers." In the conviction of the authors of the Charter, the supremacy of the Great Powers must be complete for the successful functioning of the United Nations.

The members of the United Nations are under the obligation to settle by peaceful means their disputes with any other state and to refrain from the threat or use of force against any other state (Art., 2, para. 3 and 4), but any action, especially action taken by force, forbidden by the Charter, is not forbidden if directed against an ex-enemy state. Under Article 107 any action against ex-enemy states is permitted to any government if the action can be justified as a result of the World War II. The intention of Article 107 is to exclude the ex-enemy states from the protection granted by the Charter to all other states; and this protection consists in the obligations of the members to refrain in their international relations from the threat or use of force, and to settle their international disputes by peaceful means, and in the power of the United Nations to react against violations of these obligations.

Action against ex-enemy states may be taken not only under Article 107, but also under Article 53 which authorizes regional agencies and states under regional arrangements to act against ex-enemy states as they are authorized to act by Article 107. In addition to this, Article 53 authorized regional agencies and states under regional arrangements to resort to force against ex-enemy states for a purpose which is defined by the terms "against renewal of aggressive policy." That means to prevent the renewal of aggressive policy as well as react against an actual attempt to renew aggressive policy on the part of a state which during the Second World War has been an enemy of any signatory of the Charter.

There seems to be a time restriction established by the provision of Article 53: "until such time as the Organization may...be charged with the responsibility for preventing further aggression by such state." But since this restriction can only be applied "on the request of the Government concerned," the Members may maintain the authorization established in Article 53, paragraph 1, as long as they please.

Thus the ex-enemy states are, in principle, outside of the law of the Charter. But the important thing for US—an ex-enemy state—is that this outlawry is permanent; for according to the wording of Article 107, it is not terminated by the admission of an ex-enemy state to the United Nations. The definition of the term "enemy state" in Article 53, para. 2, applies also to states after they have become

Members of the United Nations. All this was not probably intended by the authors of the Charter nor was it justified politically; but the text of Charter does not correspond to the probably more reasonable intention of its authors.

A great quantity of water has flowed under bridge since the foundation of the United Nations. It must be a shame for the Charter still to keep such tainted provisions which show that the Security Council is a new type of military alliance against Japan and Germany. It is our earnest hope that in the coming reviewing conference the first care should be directed to the deletion not only of Article 107 which is termed in the Charter itself as one of the "Transitional Security Arrangements", but also the exception clause of Article 53, para. 1, which turned the noble organization of universal peace into a debased instrument of military alliance against ex-enemies.

Supremacy of Great Powers Challenged

The repeated abuse by the Soviet Union of the right to veto has proved beyond doubt that the Security Council can not, so long as the present state of power politics continues, be expected to carry out its "primary responsibility for the maintenance of international peace and security" as provided for in Article 24. It will be a betrayal of the hope of humanity if we can not contrive some means to save the United Nations.

It is a great absurdity of the Charter that not only Great Powers, but also any Member under their protection, can with immunity commit any act of aggression. However overt act of aggression they may commit, they can never be labelled as aggressor and, consequently, need not fear to be subjected to any sanction. What is the basic idea for the establishment of such an absurd organization? "It is also clear that no enforcement action by the Organization can be taken against a Great Power itself without a major war," says the British Government's official Commentary on the Charter of the United Nations. "If such a situation arises", continues the Commentary, "the United Nations will have failed in its purpose and all members will have to act as seems best in the circumstances." The American Government had also expressed a similar interpretation in the San Francisco Conference: "if a major Power became the aggressor the Council has no power to prevent war. In such case the inherent right of self-defense applies, and the nations of the world must decide whether or not they would go to war."

It is the Resolution on the "Uniting for Peace" passed by the General Assembly on November 3, 1950 that saved the United Nations from falling into the same fate of its predecessor, the League of Nations. Under the Resolution the General Assembly may recommend a collective measure including the use of armed force to be applied to an aggressor, if the Security Council can not discharge its primary responsibility because of lack of unanimity of the Great Powers. As it is the recommendation has no legal binding force, but a recommendation supported by two-thirds majority of eighty nations of the world must have a powerful moral force. Moreover it is

a great merit of the Resolution that under it any Member of the United Nations, including the Great Powers, can be condemned as aggressor if they break the peace. This can not be expected in the Security Council owing to the existence of the right to veto. In the General Assembly, the Great Powers are not given the privileged position as in the Security Council.

Another important consequence derived from the Resolution is that the position of small nations has considerably been raised. They can, with equal value of vote as the Great Power, participate in the formation of a recommendation whether or not any Member has really committed an act of aggression. The supremacy of Great Powers seems to have collapsed. The character of the United Nations may be said to have been changed from what the authors of the Charter originally conceived.

Collective-Defense, Mainspring of World Peace

Enforcement measures (including the use of armed force) under the regional arrangement is not allowed without the permission of the Security Council (Article 53). NATO, SEATO, Rio Pact and the American-Japanese Security Treaty are all the regional arrangements in the nominal sense of the Charter. Assuming that any one of the parties of these regional arrangements should become a target of an armed attack, the other parties can not come to the assistance of the victim, until they get the permission of the Security Council in which the Soviet Union has the veto right. Thus all these regional arrangements are at the mercy of the whim of the Soviet Union.

In order to deal with this "crisis", a new legal term called "collective self-defense" has been invented by the American Delegation at the San Francisco Conference, where this crucial question has for the first time been raised by the Latin American group. Under the general international law, the right of self-defense is the right of a state to defend itself against an unlawful attack. It is a right of the attacked state and of no other state. But Article 51 confers the right to use force not only upon the attacked state, but also upon other states which assist the attacked state in its defense. Indeed it is a "collective" defense, but not collective "self-defense". Anyhow as a consequence of this extremely important legal term—Collective self-defense—consisting of two words only, all the above-mentioned regional arrangements are at present understood as the product of the exercise of the right of collective self-defense granted to each Member under Article 51. In the exercise of the right of self-defense, Members are not required by the Charter to get the permission of the Security Council. It can safely be said that at present the peace of the world is maintained by the regional arrangements drafted not in accordance with Article 53, but by the exercise of the right of collective self-defense under Article 51. This is also a deviation from what the authors of the Charter originally conceived. To that extent the character of the United Nations may be said to have been transformed. (*The writer is professor of International Law at Chuo University, Tokyo.*)

Glimpses of Japanese Culture

Japanese Lacquer Ware

By Yuzuru Okada

The delicate quality of lacquer ware soup bowls was adeptly described by Junichiro Tanizaki, one of Japan's best known writers, in one of his essays: "The mild warmth and the sense of weight I feel in my palm holding a soup bowl give me an incomparable pleasure. The sensation is as though I held the delicate soft body of a newly born baby. This delicate effect would be lost if we used chinaware instead of lacquer. Indeed, a shiny white chinaware bowl reveals all too clearly the coloration and contents of the soup as soon as the lid is removed. A lacquer ware bowl affords me the pleasure of viewing the liquid, whose coloration is almost that of the vessel, settling in its dark depth, while lifting it to my mouth."

Thus Japanese lacquer bowls are designed to be in a not only simple and beautiful, but also pleasantly light and soft to the touch, a combination to attract the most delicate artistic taste.

All industrial and handicraft art goods like chinaware, woven and dyed goods, metal ware, etc. have their own characteristics and feature distinct aesthetic qualities. For instance, celadon, the best of all porcelains—which reached its highest development during the Sung Dynasty (A.D. 960–1280; its cultural center was in the Yangtze region) in China—suggests dignified nobility and, perhaps, cold intellectuality. In contrast, vessels of *roiro nuri* (polished lacquer coating) polished after repeated lacquering, have a mellow, warm luster. The Japanese word for lacquer, *urushi*, is a cognate of *urucu* (meaning 'to become moist') and denotes a moist luster as opposed to dry—the outstanding characteristic of lacquer ware.

In making chinaware, a unique beauty may sometimes be added through chemical change in the glaze during the firing process. In lacquer ware, however, there is little chance for any unexpected work of nature in the process, and the results invariably reflect the craftsman's intention and calculation. One is, therefore, impressed with the devotion and painstaking care with which lacquer ware is finished to produce that unique luster.

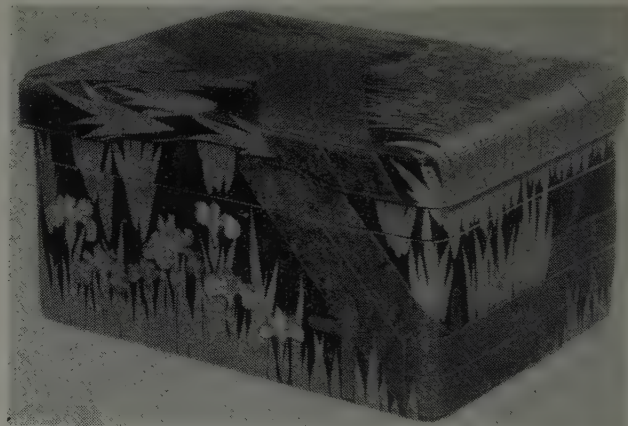
The Art of Japan

It would be safe to say that the lacquer ware of Japan best represents these artistic qualities. The uniquely Oriental art of making lacquer ware was developed in Japan, China, Korea and Thailand. But it is in Japan that the art has reached its highest development and this country's products enjoy a worldwide reputation. This is borne out by the fact that while 'china' has taken the meaning of porcelain, 'japan' has assumed that of lacquer ware. These were representative products of the two countries respectively in the eyes of the Westerners.

When was the lacquer art originated and how has it been developed in Japan? The origin of the art here is still obscure. All we know is that some lacquered bowls dating as far back as two thousand years have been excavated. But the oldest of lacquer art objects that have been preserved through the generations is the one made around seventh century, the miniature temple known as *Tamamushi-zushi* at the Horyuji. Its name *Tamamushi-zushi* is derived from the fact that it is decorated with the iridescent wing-sheaths of a beetle called *tamamushi* (*chrysocroa elegans*). This lacquer work reminds one of the great strides Japan made during that period under

the influence of Chinese lacquer art.

The history of lacquer ware in China is older than in Japan. The existence of delicate lacquer objects during the Han period (206 B.C.–A.D. 220), more than two thousand years ago, was revealed by excavations in the ruins of the Lolang District of Han near Pyongyang, Korea. The Chinese lacquer art reached its peak during the T'ang period (A.D. 618–907) in the eighth century, and the highly developed technique of that era has been transplanted to Japan. Many lacquer ware articles used in the courts and temples of the eighth century are kept in the Shosoin, the treasury of the Todaiji, Nara. They are surprisingly varied in technique and design. The materials used for the basic forms include wood, woven bamboo strips, hemp



Yatsushashi Makie Suzuribako
by Korin Ogata

and hides. The ways of decorating these lacquer art objects include *raden* (nacre cut out in designs and placed on the base), *hyomon* (gold and silver inlay), *makie* (a design in lacquer with gold and silver dust sprinkled over it), and *kingin-e* (a design painted on a lacquered surface with gold and silver ink in a solution of glue). The treasures of Shosoin include considerable imports from T'ang, but they contain some which are hardly distinguishable from Japanese works which had attained almost equal development in technique.

The Japanese Style

The T'ang lacquer ware art gradually developed into a purely Japanese style in the 12th and 13th centuries. The aesthetic life of the court nobility of the period contributed to this progress. The people of that class indulged in embellishing their furniture, daily utensils and Buddhist instruments. In particular, dainty *makie* and *raden* matched their aesthetic needs and their demand grew.

Lacquer ware of this period has its own distinct features. Their formal structure itself is simple, but each part is well-balanced and combines to effect a dainty figure. For instance, a gradual curve of the lid alone adds its uniquely graceful beauty. Their decorative designs are simple and graceful in contrast to the gorgeous flourishes of the T'ang style. Choosing the motif from nature and by complex composition or extreme simplification, the Japanese artists show their excellent pictorial sense in depicting a scenic beauty true to nature, such as a herd of plovers playing at a stream where irises flower,

With the establishment of the Kamakura Shogunate by Yoritomo Minamoto toward the end of the 12th century, the vigorous warrior culture began to make an impression in lacquer art despite the fact that the cultural center of Japan remained in Kyoto where the tradition of the graceful culture of nobility was kept intact. The new vigor is expressed in more classical forms with intensified elegance and added sharpness in soft lines. For example, lacquer boxes of the 13th century have lids whose outer surfaces are formed in a curve with increased tension rising sharply from the edge in contrast to the gradual rise in the curve of the previous period.



A Negoro-nuri Rice Container

the materialism pervading the thought and action of the people of the period.

Kyoto resumed the leadership not only of artistic life but also the political world toward the middle of the 14th century when Takauji Ashikaga founded his new shogunate there. The Ashikagas and their high ranking vassals followed in the footsteps of the nobility of the court in indulging in aristocratic dilettantism, markedly tinged with Chinese culture. They, together with the high priests of the Zen sect, were extremely fond of the arts of the Sung, Yüan (1259-1368) and Ming (1368-1644) Dynasties. The *makie* designs thus were influenced by the pictorial style of the Sung and Yüan Dynasties and Japan started making lacquer ware after the Chinese style in form and technique. Noteworthy among these designs was *negoro-nuri* (see the picture) coated in vermilion lacquer without decorative design in a simple form which suggests a touch of modernism.

The Magnificent Splendor

Japanese civilization broke with past tradition when Nobunaga Oda and Hideyoshi Toyotomi succeeded in halting the internecine warfare between rival lords that began toward the end of the 15th century. Various changes then appeared in form and design of Japanese lacquer. The new trend was bold, clear expression in design instead of delicacy. Welcomed by the newly risen warriors who liked gorgeous flourish, the *makie* designs with gold and silver dust in particular became more resplendent. In this period between the late 16th and the early 17th century the Japanese designed some lacquer ware that eloquently reflect the Western impact on Japan. These pieces of lacquer work were the *makie* designs depicting the newly arrived Portuguese and the guns they introduced, and the *makie* objects made to order by Westerners. Host boxes used in the Catholic service with the inscription IHS and the flower cross which was the emblem of the Society of Jesus at the time, and backgammon boards with pictures of temples and shrines on their surfaces are the extant examples of the lacquer ware made to order for the Western customers. Some letters of foreigners in Japan at that time reveal that the lacquer ware made to order by Westerners include even a set of

coffee cups. It is interesting to note that they were shipped by the hands of foreign trading companies to Europe.

Japanese decorative arts made remarkable progress during the two centuries of the Edo period between the time when Ieyasu Tokugawa founded the Tokugawa shogunate in Edo at the beginning of 17th century and the end of the shogunate. Greatly contributing to this advance was the rise of the merchant class which heightened its economic influence from the 16th century and began to participate in the cultural life in Japan. *Makie* articles which had been exclusively used by the upper class now gained a new clientele, the rich merchant class, and the *makie* designs reflected the taste of its new admirers. This new trend based on the merchant taste in the art became conspicuous toward the end of the 17th century. At this time, an artist from the merchant class appeared and greatly contributed to the art. He was Korin Ogata (1658-1716), whose reputation and popularity grew from his originality at a time when many artisans catering to the warrior class worked in a stereotyped manner. His representative work is *Yatsushashi Makie Suzuribako*, the famous lacquer inkstone box with a *makie* design depicting a scene of Yatsushashi (Aichi Prefecture) with nacre inlay and lead embedding, now owned by the Tokyo National Museum (See the picture on the opposite page).



Kinma-nuri Food Basket
by Joshin Isoi

The Present Stage

After the Meiji Restoration in the middle of the 19th century, the use of lacquer ware declined in the face of competition with porcelains as eating utensils, and with painted woodwork introduced from the West as furniture. However, the manufacture of lacquer articles as art objects is still very active. Excellent artists are at work in Tokyo, Kyoto, Kanazawa, Takamatsu, and other places, and their works are shown at the Japan Art Exhibition held annually at the Art Gallery at Ueno every autumn. Their products are in both the traditional style and the modern style.

Of the lacquer ware produced locally as an industrial art the most famous are: *Aizu-nuri* at Wakamatsu city, Fukushima Pref., *Wajima-nuri* at Wajima, Ishikawa Pref., *Kuroe-nuri* at Kainan city, Wakayama Pref., and *Zokoku-nuri* and *Goto-nuri* at Takamatsu city, Kagawa Pref.

In order to preserve the traditional art of making lacquer, the Cultural Properties Protection Commission of the Ministry of Education designates those artists who have mastered superb techniques. Those selected by the Commission are Gonroku Matsuda of Tokyo for his *makie*, Taiho Mae of Wajima for his *chinkin* (a method in which gold leaf is placed on an engraved hairline design on the lacquered surface), Kodo Otomaru of Tokyo for his *choshitsu* (engraved after repeated lacquering in color) and Joshin Isoi of Takamatsu for his *kinma-nuri* (the engraving of the contours of a design, filling the engraving with colored lacquer, on bodies of woven bamboo) (See the picture above).

(Mr. Yuzuru Okada is Chief, Research Materials Section, Tokyo National Museum).

Commodity Market

Cotton Goods:—The position of Japan's cotton industry in relation to the international market was reviewed in a report released by the Japan Cotton Spinners' Association on February 12. In this report, the Association reviewed the world cotton industry in 1956 and the possible transition in the January-March period, 1957. The report said that the production of cotton fabrics in nine leading cotton industrial countries (Japan, Britain, the United States, India, France, West Germany, Italy, Belgium and the Netherlands) in 1956 totalled 27,500 million square yards, the largest in history while the exports of fabrics by these countries in 1956 hit a record low (since 1948) at around 4,000 million square yards. Referring to Japan, the report stated that Japan's production of cotton yarn in the October-December period, 1956 totalled 705,908 bales, establishing a new postwar high (renewing the records created in the two preceding quarters, April to June and July to September) and that the combined total production of yarn in calendar 1956 reached a new peak of 2,543,980 bales. It was added that Japan's production of pure cotton fabrics in the October-December period amounted to 888,571,000 square yards and the calendar 1956 total reached 3,300,521,000 square yards, up 17.3% over calendar 1955 and hitting a new postwar high. According to the report, Japan's exports of cotton yarn in the October-December period amounted to 6,448,000 lbs., up 18.7% over the preceding term, and those of cotton fabrics reached 381,567,000 square yards, up 47.9% while the 1956 total reached 27,294,000 lbs. in yarn and 1,262,063,000 square yards in fabrics. Japan's exports of secondary cotton products in calendar 1956 also amounted to 69,281,000 lbs., another postwar high. The report said that the domestic supply of cotton goods in calendar 1956 totalled 645,152,000 lbs. or 7.16 lbs. per capita, up 14% over the calendar 1955 average of 6.28 lbs., both new postwar highs. Reviewing the export prospects of cotton goods for the January-March period, the report declared that January exports of yarn and fabrics receded somewhat from the like month in 1956 but have recovered well from February with the monthly average for the January-March period estimated at well over 100,000,000 square yards. In conclusion, the report said that the domestic sales of cotton goods in the January-March period is estimated to eclipse sharply the like period a year ago (when the monthly average stood at 112,000 bales in terms of yarn) and the average monthly production for the period is likely to stand at about 225,000 bales.

Meanwhile, the cotton market remained almost intact from January through February. The latest stimulants to the market include: 1) The decline of the January monthly output to 212,542 bales as compared with December's 240,434 bales due to the power shortage and more holidays; and 2) Rising export contracts for cotton fabrics and active yarn purchases by weavers. On the other hand, the larger purchase of cotton for fiscal 1957 (amounting to 2,598,000 bales, up 148,000 bales over fiscal 1956) offers a major damper. Indications under the circumstances are that the cotton market is likely to follow a crablike zigzag with no notable developments for some time to come.

Chemical Fibres:—Rayon filament yarn further softened in February with the quotation sagging below the ¥220 mark from the start of the month, a new low since March, 1956. Responsible for the weak market were: 1) Dull exports to Indonesia due to the political instability in that country and the

rising volume of rayon filament fabrics inventories; 2) Increasing stocks of filament yarn in the city resulting from the boosted sales by manufacturers; 3) The swelling of yarn inventories at the Fukui rayon market to over 2,500,000 lbs. (far in excess of the normal stocks of 1,500,000-2,000,000 lbs.); and 4) Sacrifice sales by a section of rayon manufacturers. Although the slipping tone has begun to lull, the slump of the spun rayon quotations makes any optimism taboo.

Spun rayon quotations have continued slipping since the turn of the year with the per-lb. price dropping to the ¥90 mark, close to the break-even point at factory. Spun rayon yarn has followed suit by dipping to the ¥220 mark while spun rayon fabrics remained comparatively quiet as inventories have been kept at the normal level. The January production of spun rayon totalled 67,389,000 lbs. and the January-end inventories increased 12.6% over a month ago to 26,551,383 lbs., up 20,000,000 lbs. as compared with a year ago.

Meanwhile, Japan's production of rayon filament in calendar 1956 totalled 227,395,000 lbs., up 16.4% over the 1955 output, according to Chemical Fibres Association. The 1956 production of spun rayon stood at 689,921,000 lbs., up 25.2% and that of spun rayon yarn reached 514,647,000 lbs., up 25.2%. The 1956 output of rayon filament fabrics totalled 246,620,000 square yards, a gain of 6% over 1955.

Woollen Yarn:—With other textile markets growing weak, woollen yarn prices alone have continued stiff, as the active exports (with bulky shipments to Communist China starting from the end of December) and brisk domestic demands have served to counter the damper offered by the Government decision to make additional wool imports. With demands brisk, city transactions of wool have been carrying 40% premiums. Australian wool quotations have remained firm on the spur of active purchases by Japan and other wool consuming nations. As worsted yarn prices have been extremely stiff, woollen fabrics for autumn-winter purchases are expected to rise about 10-20%.

Raw Silk:—Raw silk has continued comparatively steady as the non-supply season is setting in. In the absence of particular stimulants, however, no immediate changes in the market tone are expected likely in the near future.

MAJOR TEXTILE QUOTATIONS

		Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
1956:	Oct. 6.....	188.0	244.5	143.9	1,095	2,041
	13.....	187.0	235.9	138.9	1,092	2,057
	20.....	186.6	222.6	134.8	1,094	2,009
	27.....	186.0	231.5	131.5	1,149	2,028
	Nov. 2.....	188.9	256.0	139.9	1,183	2,050
	10.....	187.0	240.5	136.5	1,181	2,038
	17.....	195.9	251.5	137.9	1,249	2,007
	24.....	195.9	268.0	138.0	1,251	2,028
	Dec. 1.....	193.3	261.4	137.5	1,232	2,007
	8.....	187.0	253.9	135.8	1,149	2,012
	15.....	187.6	253.1	137.8	1,135	2,005
	22.....	183.1	249.9	134.0	1,117	2,037
1957:	Jan. 28.....	185.2	251.0	133.6	1,132	2,037
	4.....	187.3	251.9	133.5	1,125	2,037
	12.....	184.9	235.9	129.2	1,122	1,993
	19.....	184.0	229.6	133.8	1,135	2,002
	26.....	185.5	226.1	132.2	1,150	2,024
	Feb. 2.....	184.9	227.1	128.5	1,184	2,070
	9.....	182.7	218.6	123.9	1,173	2,082
	14.....	182.8	222.7	123.0	1,158	2,087

Labor

Spring Labor Offensive:—Spring offensive, one of the main events on the Japanese labor scene, is now in the making. In line with the principles adopted on December 26, 1956 after a series of intensive strategic conferences among the high echelons of *Sohyo* leaders, each constituent labor union is now drawing up its particular brand of strategy to best suit its own demands.

Sohyo leaders plan, as they did last year, to make this a concerted and concentrated affair made up of Government and private labor unionists. If realized, this will be one of the biggest labor offensives in years including such non-*Sohyo* laborites as those under *Zenro* and independent unions and counting three and a half million unionists in its hold.

Highlights of the offensive include: 1) Establishment of minimum wage system with minimum wage set at ¥8,000; 2) Full acquisition of new wage demands and the shortening of working hours; 3) Healthy rearrangement of local finance and the full enforcement of income tax reduction; 4) Fight against the discharge of local Government workers; 5) Fight against the remodelling "for the worse" of the existent health system; 6) Hiking-up of day laborer's wages and stabilization of day labor market; 7) Fight against the decontrolling of rice; 8) Fight against the ban on free speech; 9) Fight against the upping of National Railways fares and other commodity prices.

Time table of the offensive follows: 1) Preparation Period (January through the middle of February), in which the Offensive Headquarters is set up and the local units hold morale-building meetings; 2) Action Period (the last part of February through March). The unionists plan to stage a staggering strike all through the industries in the middle of March demanding the wage-hike and the establishment of the minimum wage system. If the proposed minimum wage system meets any snags in the Diet, the unionists are ready to resort to another series of strikes to help get it through in the last part of March.

Economic Factor Dominant:—Although politics plays a large part in the coming struggles, as have been understood in the foregoing, the Government's counter-attacks by accepting most of the demands—the tax cut, better social insurance and greater livelihood protection measures, health insurance for every citizen (within

four year period) and the upping of day laborer's wages together with the keeping-up with the present system of rice control—have blunted the edge off the unionists' offensive. All the unionists have got left now is the upping of railway fares to fight against.

As for the minimum wage system, it is no news that the unionists have taken pains to include it in their agenda, as they have long been harping on the merits of the system. Of course it is true that the system is the commonplace in most of the civilized countries of the world and that the system is destined to take root in our country sooner or later, if we are to follow the leaders of the world. But it is utterly impossible for the small and medium-sized industries to accept the ¥8,000 minimum wage overnight as the *Sohyo* leaders advocate. Even among the union leaders, many endorse the plan to get minimum wage system in such a form as to best suit the particular industry in which they work. They understand how absurd it is in the present-day set-up of industry here in Japan to ask for the uniform minimum wage system.

The Labor Problem Deliberation Council (President Ichiro Nakayama), likewise tendered its opinion to the Labor Minister that in Japan, the best way for the minimum wage system to take root is through negotiation and mutual understanding between a particular industry management and its labor force, not through the unilateral and compulsory adoption of the system to each and every industry in the uniform manner. Thus, it is hardly likely for the minimum wage system to materialize in the way the *Sohyo* leaders want it to. Spring offensive will in all probability end in struggles for the hiking-up of the regular monthly wages.

Raise About ¥1,000?—Now almost all the industry workers unions are demanding about ¥2,000 regular monthly pay-raise, realization of which is still in the fogs. But the Government's decision to hike its employees' wages by about ¥1,270 (prodged by the National Personnel Authority's advice) will have a great influence upon the decisions the public as well as the private enterprise managements will henceforth reach. Especially such public facilities workers unions as National Railways Workers, All-Japan Postal Workers and All-Japan Telephone and Telegraph Workers, which have long been granted the same level of pay-hike as the Govern-

ment workers, are very likely to see the tradition followed again this time. Local Government workers also take it for granted that they will be in for the lion's share.

How much, then, will private enterprise workers get? As it is the talk of the town, private enterprises are now enjoying one of the best years in their history and have enough reserve to accommodate the workers' demands to a considerable extent. But the managements now have a very firm idea that it is not ideal to squander all the profits on wage hikes and the like, so the probable amount of wage hike is most likely to be about ¥1,000.

Only one possible exception to the rule is *Tanro* (Coal-miners Union). Coal mining industry, which has long been suffering from depression, is now way ahead of most of the industries in profits, and the workers, who have long been told to persevere, are now ready to cut in the prosperity. They are firmly united around the leaders to fight, if necessary, to get their demands through the management.

As of this writing, the management has offered ¥500 pay increase against the union's demand for ¥2,000. So further hard sledging is in sight for both the management and the labor but both will finally settle for a compromise plan amounting to around ¥1,000 pay raise.

Opinions of the Labor Problem Deliberation Council:—The Labor Problem Deliberation Council has this to say about the adoption of the minimum wage system in Japan.

1) The final adoption of the system is of utmost necessity in view of the stabilization of labor market, modernization of labor practices, improvement in labor conditions, curtailment of undue competition among the businesses, and the improvement of international reputation of Japanese industries.

2) But the trouble here is the existence of small and medium-sized businesses, where the immediate application of the minimum wage system is an impossibility. So the council proposes a gradual adoption of the system, first in such workable industries as exports and then come down to tackle with the hardest nut—the small and medium-sized businesses.

3) In view of the hard-up state in which most of the small and medium-sized businesses find themselves, the Government should strive to draft a consistent measure to save them from the trough of depression,

Foreign Trade

Japan's International Payments

One of the great consequences of the economic expansion which the Ishibashi cabinet is trying to carry out is the worsening of the balance of international payments, according to some critics of the new policy. When the Ishibashi policy showed its positive character of expanding economy through the formulation of the budget for fiscal 1957 (April, 1957-March, 1958), industrial circles in general gave rather welcome reception to the new budget. But some expressed anxiety concerning a possible start of inflationary trend. Furthermore, some fear that great increases in imports of raw materials which are naturally concomitant of an expanding economy would result in a deficit balance of the international payments, and would therefore force the government to take a policy of restraint on credit similarly to that in the autumn of 1953. And this seems to be one of the great problems the Ishibashi cabinet faces in carrying out the policy of economic expansion.

It is true that according to the 1957 economic plan of the Economic Planning Board the 1957 balance of international payments is estimated to be actually deficit at \$50 million with income and outlay totalling respectively \$3,680 million and \$3,730 million. (For comparison, the 1956 income and outlay have been estimated to total respectively \$3,330 million and \$3,410 million). In the formal balance which takes deferred payments into account, the income barely equals the outlay. But the estimates of the Economic Planning Board are being criticized in some quarters that the government is trying to cover up the real situation in order to support its policy. Firstly, the Economic Planning Board estimates the total 1957 exports at \$2,800 million, 13% over the estimated figure (\$2,480, for 1956), but this is regarded as overly estimated. Secondly, the Economic Planning Board's estimated figure for the total 1957 imports, \$2,800 million (10% over the estimated figure for the 1956 total imports, \$2,910 million) is considered to be underestimated in the critical eyes. From the critical standpoint, the 1957 balance of international payments is estimated to be deficit at \$200-\$400 million even when deferred payments are to be included in the account.

However, it is considered that the difficulties that lie in the course of achieving \$2,800 million of exports are not so great. True, there are factors that warn us

against optimism such as the U.S. restraints on Japanese cotton goods, increases in domestic demands, and reparations that are taken abroad without compensation, for instance, cement and rolling stock to Burma. But, on the other hand, there are some bright prospects for Japan's export trade: The relaxation of restrictions on imports in Australia and increases in exports to China in 1957. Furthermore, brisk export is expected to continue in the following commodities: chemical textiles, ships, machinery, fertilizer, cement, toys, porcelains. Consequently, the prevalent opinion is that it is not impossible to boost export by 13% above the previous year.

Optimism & Pessimism on Imports

Opinions are widely different on the prospect for the 1957 imports. Some think that the Economic Planning Board's figure, \$3,200 million, is overly estimated. Some regard the figure as an underestimate. (Indeed, \$3,200 million may be considered a compromised figure between the two opposing views.)

(a) The outline of the view that considers the figure too big follows. The rapid growth of imports in 1956 has completed furnishing with enough raw materials in stock which had once been exhausted in the past. Consequently, increases in the 1957 imports would not be beyond meeting the requirements for consumption and not for filling the necessary materials in stock. Even decreases may be expected in some cases where imports reached the level of adequate inventories.

(b) The gist of the view that regards the figure too small follows: the completion of adequate inventories have been made only in such items as cotton, hides, etc. which form only part of the industries in Japan. Furthermore, the level of inventories of raw materials has risen, but consumption of raw materials has risen also, so that the index for the rate of inventories (the figure obtained by dividing the inventories index with the consumption index) has not risen much. In addition, the quick tempo of the expanding economy would increase the demands for such raw materials as iron ore, scrap iron as well as energy sources such as coal and petroleum. Also the supplies of pig iron, iron and steel, aluminium, and machinery must needs depend on imports because the production of these at home has reached the limit of capacity. Consequently, imports during 1957 would total far beyond the Economic Planning Board figure.

Actual Imports Brisk

In strong contrast to the decline in exports, imports in January 1957 amounted large in the figures of the customs statistics and the exchange statistics. The customs statistics show that exports in January totalled \$169 million, a decline of \$102 million from the previous month, but imports totalled \$328 million, a postwar high surpassing the previous month by about \$10 million. Thus the excess of imports over exports amounted to \$159 million. However, one must note that the severe decline in exports during the December-January period is quite a regular phenomenon every year and the growth of imports also is seasonal.

In the exchange statistics on the other hand exports totalled \$219 million, an increase of \$13 million over the previous month, and imports \$262 million, an increase of \$30 million over the previous month. Increases were especially remarkable in imports of iron ore, scrap iron, cotton, and sugar. The total foreign exchange balance including invisibles was adverse at \$14 million with income at \$285 million and outlay at \$299 million. In the second half of 1956, the balance of exchange in trade has been in the red each month, but the total balance of all exchange turned red for the first time after five months since August 1956.

1. IMPORTED RAW MATERIALS INVENTORIES INDICES (1950=100)

		Consumption (a)	Inventories (b)	Rate of Inventories (b/a)
1955:	Mar. ..	259.5	202.7	78.1
	June ..	270.2	236.8	87.6
	Sept. ..	288.6	225.4	78.1
	Dec. ..	310.2	228.6	73.7
1956:	Mar. ..	312.9	233.1	74.5
	June ..	348.3	292.8	84.0
	Sept. ..	370.8	351.2	86.6
	Dec. ..	402.0	327.6	81.4
		129.6*	143.3*	110.4

* Dec., 1956 increases over Dec., 1955.
Source: MITI.

However, the amount of import letters of credit (which appears in the figure of outlays two or three months later and thus an early indicator of the figure for exchange settlement) increased to \$239 million in January 1957 from \$303 million in December 1956. Imported raw materials in stock became abundant. For instance, the level of inventories in December 1956 was a rise of 43% from the corresponding period of 1955. The decline of letters of credit for imports may be considered an evidence of a measure of adequate inven-

tories and gradual weakening of brisk imports.

Expanding Budget for Foreign Exchange

Nevertheless, the gradual decline of brisk imports which is foretold by the decreasing amount of import letters of credit is not to be considered definite. For (1) the foreign exchange budget for imports for the second half of fiscal 1956 has already grown much larger than the amount in the first draft in September 1956 (the bulk of the budget for the second half period is used in the actual settlement within the first half of the next year), and (2) the generous budget is expected for the first half of fiscal 1957 (April-September, 1957) under the Ishibashi policy of importing necessary raw materials abundantly.

At the outset the import budget (including \$210 million of reserves) amounted to \$1,915 million which was already a considerable sum. Meanwhile, as the economy at home expanded, the iron & steel and coal and petroleum industries began to suffer from shortage of supplies; and as the people's purchasing power rose, it has become necessary to increase supplies of raw wool, sugar and other commodities for living. Therefore, after the budget was framed, additional imports of rolled steel, scrap iron, pig iron, raw cotton, raw wool, crude sugar, and crude oil have been planned. Thus, the reserves in the original budget have been completely used up. Furthermore an additional budget of about \$190 million was newly allocated. At the end of January 1957, the amount actually spent for imports was already greatly over the \$2,100 million mark. Moreover, of commodities under the system of allocation, copper, machinery, rolled steel, scrap iron, coal, crude oil, etc. now need further additional imports by the end of the second half (the end of March, 1957). On the other hand, the budget for the second half of 1956 of the automatic approval system amounted to \$390 million at the outset. (The automatic approval system means that within the budget for that system applications for imports by importing traders are automatically approved by the government. In contradistinction to this system, the system of foreign exchange allocation is applied to those commodities outside of the automatic approval system. In the allocation system, the government gives licenses only within the government specification of the kinds of commodities, the amount of value of commodities, currency used for settlement, etc.).

However, the budget for the automatic approval system has been generously used, especially for imports from the sterling area (mainly crude rubber, pig iron, scrap iron, scrap copper for which the automatic

approval system is applied outside the dollar areas). Under the circumstances, it is estimated that to the original budget for the automatic approval system about \$5-10 million must be added by the end of February 1957. All in all, the budget necessary for actual imports for the second half of 1957 is estimated to total \$2,200 million including the allocation and the automatic approval system.

This inflationary trend is also seen in the budget for foreign exchange spending in the first half of 1957. (1) Both Prime Minister Ishibashi and the Minister of International Trade and Industry Mizuta have frequently declared that they will see to it that adequate imports will be carried out in order to stabilize prices at home. (2) The expanding economy of Japan requires great amounts of raw materials such as iron ore and scrap iron. Furthermore, the supplies of electricity, coal, and petroleum as energy sources have become less satisfactory to meet the increasing demands. For the increasing demands for energy sources, crude oil, coal (not only for iron & steel production but also for fuel) must be imported in far larger quantities. (3) In addition to raw materials, such commodities as Japan needs more than she can produce—for example, rolled steel, machinery, aluminium—must increasingly be supplied from abroad. (In the past, these commodities were scarcely imported in order to avoid shortage of foreign exchange and to protect the industries at home producing these commodities. But now it is the government policy since the latter half of 1955 to relieve the shortage of supply and to prevent prices to soar by importing even such commodities as rolled steel and electrolytic copper which Japan had been exporting.)

2. FOREIGN EXCHANGE BUDGET FOR IMPORTS (In million dollars)

1951 (April-September)	1,001
(October-March)	1,262
1952 (April-September)	1,110
(October-March)	1,481
1953 (April-September)	1,157
(October-March)	1,524
1954 (April-September)	1,073
(October-March)	1,089
1955 (April-September)	1,161
(October-March)	1,455
1956 (April-September)	1,766
(October-March)	2,130

Note: As of January 31, 1957.

Source: Finance Ministry.

Delicate Situation about Trade with China

One of the promises made to the public by the Ishibashi cabinet was that it would take measures to increase trade with China. This has drawn great attention from the world. However, Mr. Nobusuke Kishi, the

new Foreign Minister, has surprised the public by declaring on January 29, 1957 that it is not necessary to exchange trade delegations comprised of civilian traders between China and Japan. Trade with China has been carried through the Sino-Japanese trade agreements on non-government basis. The third Sino-Japanese trade agreement which has been prolonged will expire by the early part of May, 1957. It is now necessary to conclude the fourth agreement on trade and to make long-term contracts in each field of trade in order to pave the way to facilitate trade with China for 1956 and coordinate it with the second five year plan in China that is to begin in 1958. Now, Japan faces to solve several problems regarding the third agreement before entering into negotiations for the fourth agreement. These are the exchange of trade delegations as declared in the joint Sino-Japanese trade communique and the facilitating of settlement. Prime Minister Ishibashi told at a press conference on January 4, 1957 that he wished to exchange trade delegations on non-government basis to facilitate trade with China and to conclude a payments agreement. Under the circumstances, the interests concerned, especially traders expected early solutions of these problems. Mr. Kishi's declaration thus was a great shock to them.

However, Mr. Kishi's declaration was not his personal view. It has been revealed that behind Mr. Kishi's declaration was an informal notification by the United States to the Japanese government that the United States wish to intensify the restrictions on exports to the Communist bloc. It has been expected that the United States give pressure upon Sino-Japanese trade from the fact that Mr. Robertson (Assistant Secretary of State) warned against increasing the war potentials of Communist China in the Ishibashi-Robertson talks in the middle of December, 1956. The Japanese government, especially the Ministry of Foreign Affairs had to side-step the promised line of trade with China in the face of the United States notification to intensify restrictions. However, in the Japanese government, some still strongly wish to increase trade with China. For instance, MITI Minister, Mr. Mizuta said at a press conference on February 11, 1957 that the more Europe and America restrain imports from Japan, the more Japan has to expand trade with the neighboring countries in Asia; this is an instinctive drive; Trade with China which amounts to only 2% of her total trade at present (2.7% in 1956 for both imports and exports) must naturally be expanded to 5-10%. We note the development of trade with China under the delicate circumstances.

Investment Outlook

Chemicals

Chemicals were in the boom last year and the fair tone is likely to continue into the current year. Production of major chemicals such as soda, ammonium sulphate, urea and polyvinyl chloride is expected to mark a big jump this year due to active plant and equipment investments since early 1956.

Fertilizers:—With the domestic demand apparently threatening to hit the ceiling, no sizable increase in domestic sales is expectable. Thus, the future expansion of the Japanese fertilizer industry appears dependent largely on export trade. In this connection, the prospective growth of trade with Communist China offers a good stimulant, although the possible effects will be varied on different fertilizers. Phosphatic fertilizers will not be a profitable business even though their exports to Communist China begin to gain, as the prices of material ores are hiking. Overseas demand for calcium cyanamide is not particularly sizable while domestic demand has reached a saturation point. To counter the consequent business recession, fertilizer manufacturers are ready to make an energetic advance to new fields based on rising demand for carbide and organic and synthetic chemicals. Twelve fertilizer companies (as listed in Table 1) predominate. Among them, Showa Denko, Sumitomo Kagaku and Toyo Koatsu are outstanding.

Sumitomo Kagaku (Chemical) is the foremost chemical firm under integrated management and is particularly advanced in the petro-chemical field. Its polyethylene mill will be ready for operation in 1958, followed by the industrialization of a synthetic fibre (Ecslan) with a technical tieup with Toyo Boseki. Increased production of ammonium sulphate through the utili-

zation of waste gas from polyethylene manufacturing is also planned. Showa Denko, also noted for integral management, is scheduled to establish a new company to start manufacturing polyethylene and is getting ready to boost production of aluminium and electrode. Mitsubishi Kasei (Chemical) is making a good showing in urea and coke. Its urea production will be markedly boosted upon the completion of new equipments and the number of coke furnaces are being increased. Its acrylnitril production is expected to become industrialized in 1958 and its advance to petrochemical products is also likely through the reported tieup with Yokkaichi Petro-Chemical Co. Toyo Koatsu, another leading fertilizer manufacturer, is now erecting a new plant at Chiba for utilizing natural gas. The Company's production of methanol and acrylnitril is scheduled to become industrialized at its new Chiba plant in 1957, followed by the construction of urea and ammonium sulphate mills in 1958. With the production cost likely to slip sharply due to the planned utilization of natural gas, the completion of the Chiba plant is certain to increase the Company's profits. Nippon Gasu Kagaku (Gas Chemical) is expected to embark upon the fertilizer industry with the scheduled completion of its urea plant early this year and will boost capital to ¥1,100 million through the amalgamation of Nippon Urea Co. as of April 1, 1957. Nitto Kagaku (Chemical) is pushing plans to rationalize ammonium sulphate production through the utilization of waste gas available from steel manufacturing and to embark upon acrylnitril production while Nissan Kagaku (Chemical) is also planning to boost the ammonium sulphate production by utiliz-

ing natural gas. Ube Kosan (Industries) is undertaking production expansion of caprolactam in cooperation with Nippon Rayon and is embarking upon urea. Shin Nippon Chisso Hiryo, specializing in organic-synthetic chemical products, is boosting the output of polyvinyl-chloride and is preparing to start production of acetate lines. Denki Kagaku, Shin-etsu Kagaku and Nippon Carbide are steadily shifting the pivot of operation to organic-synthetic products. The first-named is undertaking a large-scale production boost of polyvinyl chloride and preparing for a positive advance to acetate fibres in the future while Shin-etsu Kagaku's new polyvinyl chloride plant is due to be completed in the spring of 1957 in time for the Company's advance to the utilization of natural gas. Nippon Carbide is increasing its polyvinyl chloride production. These three firms excel other chemical companies in having easy access to the abundant supply of carbide with Denki Kagaku particularly outstanding. All leading chemical companies with the exception of Sumitomo Kagaku, Nissan Kagaku and Nitto Kagaku boosted capital during 1956 and are expected to make second capital expansions within the coming two years. Of these firms, Gasu Kagaku's expansion will come first (probably during 1957), followed by Nitto Chemical, Nissan Kagaku and Sumitomo Kagaku whose capital boosts are expected to be announced in early 1958. Nitto will make a 50% increase with Sumitomo Kagaku following with the same amount of expansion. Mitsubishi Kasei and Ube Kosan will also make a 25-50% boost in the latter part of 1958 while 50% increases will be undertaken by Shinnihon Chisso, Shin-etsu Kagaku and Nippon Carbide during 1958. The estimated yield will stand at about 6% with the exception of Nissan Kagaku whose yield will reach 9.3%.

Soda:—The Soda market has continued stiff into 1957 as the supply-demand balance is reasonably stringent and prices of industrial salt have been on the march. The domestic demand for soda is expected to continue active as larger consumption is expected from affiliated industries such as chemical fibres, paper-pulp and glass. The first headache to domestic soda manufacturers is the rising tone of salt prices resultant from the elevation of freight rates. With more imports of low-costing salt from Communist China expected likely in 1957, however, the domestic salt prices are expected to slip. Generally speaking, electrolytic caustification is considered more

1. LEADING FERTILIZER MANUFACTURERS

	Dividends		Possible Capital Boost (%)	Expected Dividend after Cap. Boost (%)
	Previous Term (%)	Current Term (%)		
Toyo Koatsu.....	20	16	50	15
Sumitomo Kagaku	15	15	50	15
Showa Denko	15	15	50	15
Mitsubishi Kasei	10	15	50	15
Ube Kosan	25	23	50	15
Nitto Kagaku	8	8	90	12
Nissan Kagaku	13	13	50	13
Shinnihon Chisso	15	15	50	12
Gasu Kagaku	15	15	*100	15
Denki Kagaku	20	15	50	15
Shin-etsu Kagaku	15	15	50	12
Nippon Carbide	15	15	50	12

Notes: Previous term ended September, 1956 for Toyo, Ube, Nitto, Shinnihon, Gasu, Denki; ended November, 1956 for Nissan, Shin-etsu, Carbide; ended June, 1956 for Sumitomo and Showa; ended July, 1956 for Mitsubishi. Current term ended March, 1957 for Toyo, Ube, Nitto, Shinnihon, Gasu, Denki; ended May, 1957 for Nissan, Shin-etsu, Carbide; ended December, 1956 for Sumitomo and Showa; ended January, 1957 for Mitsubishi. Capital boost expected in the coming two years (*expected during 1957).

Source: Compiled by *The Oriental Economist*.

promising than the ammonium process, as the utilization of by-product chlorine is more actively possible by the former method. Hence all soda firms (inclusive of those adopting the caustification progress as well as the ammonium process) are busy expanding caustic soda production equipments and trying to find new fields of utilization for chlorine. To enable such expansion projects, all leading soda firms are expected to boost capital (either by 50% or 100%) by the end of 1958.

Nippon Soda is likely to announce a 50% capital expansion in the latter part of 1957 or early 1958 in order to finance the scheduled production boost of titanium metal and the industrialization of natural gas utilization at Nihongi and is expected to be able to continue the present 15% dividend even after the capital boost. Tokuyama Soda is expected to cut the dividend rate from the present 23% to 20% from the term ended September, 1957 under the weight of its 50% capital boost. This company is planning another 50% increase to finance its various new projects with the resultant cut of the dividend further to 18%. Toyo Soda has established a subsidiary company named Ethyl Chemical for the utilization of bromine and chlorine through a financial tieup with Dai-ichi Bussan. In order to further broaden the scope of its own bromine and chlorine production, Toyo Soda is expected to boost capital by 50% within these two years. After the new capital increase, the Company is likely to cut the dividend from the present 15% to around 12-13%. Ube Soda, so far passing a dividend, has been well recovering and will be able to revive a 12% dividend for the current term. This Company is also expected to boost capital by 50% within 1957 to finance equipment modernization. Osaka Soda is planning to advance to the petro-chemical field through a tieup with Maruzen Oil and Teikoku Rayon, and is also planning to start polyvinyl chloride production to be financed by a 50% capital boost in the near future. Asahi Denka will increase capital by 50% during 1957 in order to rationalize equipments in its oils-fats mill and to erect additional caustic soda equipments. After the capital expansion, the Company will be giving a 12% dividend, although a small share divi-

dend is also possible. Of these soda firms, Toyo Soda and Asahi Denka shares are reasonably priced with the former expected to be a particularly good buy. Nippon Soda and Tokuyama Soda may also be fair objects for investment if tackled at low levels.

Other Chemicals:—Among other chemical specialists, Tekkosha, Kanegafuchi Chemical, Sekisui Chemical and Ishihara Sangyo are expected to boost capital in the near future, with the first-named particularly worthy of attention. Tekkosha stocks have made notable headway as one of leading growth shares because of the Company's fair showing in recent years. Its profit situation has improved notably as the market has stiffened for ferro-alloys, one of its specialties while a promising future is apparently promised for its new line, electrolytic chrome metal. The recent discovery of a rich manganese ore deposit at its Inakuraichi Mine (Hokkaido) has come another prop to Tekkosha's business. The Company is expected to increase capital by 50% in the near future with 40% thereof in share dividends. With 1% boost of the dividend expected after the capital expansion, Tekkosha shares will be a fair buy at the current price level. Kanegafuchi Chemical is planning to expand its soda and polyvinyl chloride sections and has a promising future in its synthetic fibre undertaking in cooperation with Nitto Chemical. With the 50% capital expansion likely in the second half of 1957, its 6% dividend (rights-on) is a good attraction to investors. Sekisui Chemical, counted also among new growth stocks, is planning to quadruple the monthly processing capacity of plastics from the present 1,300 tons by the end of 1958 and is studying the erection of a new plant in Nara. With a 50% capital hike likely in the near future, the 6% dividend is acceptable. Ishihara Sangyo, specializing in titanium oxide, will boost the monthly output to 2,000 tons by the spring of 1958. Its overseas activities (such as the development of an ilmenite mine in Ceylon and the establishment of a rehabilitation bank in Indonesia) are steadily taking concrete shape. With the yield likely to stand at 9% after the 50% capital boost, Ishihara shares may be held for a long pull on the strength of future prospects.

2. MAJOR SODA COMPANIES

	Dividends		Possible Capital Boost (%)	Expected Dividend after Cap. Boost (%)
	Previous Term (%)	Present Term (%)		
Nippon Soda.....	15	15	50	15
Tokuyama Soda	23	23	50	18
Toyo Soda.....	15	15	50	13
Ube Soda	—	12	50	12
Osaka Soda	15	15	50	15
Asahi Denka	15	15	100	12

Notes: Previous term ended September, 1956 (except for Osaka Soda for which the term ended in May, 1956). Present term ended March, 1957 (except for Osaka Soda for which the term ended in November, 1956).

Source: Compiled by *The Oriental Economist*.

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Book Review

Economic Co-operation in Europe

A Study of the United Nations Economic Commission for Europe
by David Wightman.

Stevens * Heineman, London 1956. pp. 238 21s.

David Wightman, Lecturer in Economic History, University of Birmingham, who fortunately spent nearly a year in Geneva between 1950 and 1954 for the first-hand information gives a very detailed case study of what the works of the United Nations Economic Commission for Europe amounted to in the post-war world from the middle of 1946 to the end of 1954, a period hard to analyze and record.

Students will find it highly interesting and a thoroughly objective and as comprehensive as abundant sources available can make it.

Part I quietly outlines the historical setting of the making of ECE. Part II sketches functions and practices of the Commission, the Technical Committees and the secretariat of ECE. Part III, allotted about one-third of the textual space, is divided into each of the eight Committees: Coal, Steel, Raw Materials and the Engineering Industry, Timber, Housing and the Building Industry, Agriculture, Electric Power, and Inland Transport. Part IV discusses the question of East-West trade. Part V finally sums up the scope of ECE. A short but handy bibliography of publicly available sources and a good index complete the book.

Throughout the many impressions and questions that enter a reader's mind as he reads this detailed work, one dominant impact of the Manicheism of the political relationship between the two blocs of the world constantly pursues. Indeed, the historical setting is a sheer reflection of this predicament of our world today. Only in the Technical Committees, where the experts in each field could keep a considerably wide berth of political propaganda, a real measure of economic co-operation in Europe have been achieved.

This excellent volume, to my knowledge, has no rival today and will long remain as a reference work for anyone who tries to see the postwar developments in Europe in perspective.
(M.K.)

The Economic Consequences of Automation

Secker & Warburg, 1956, London
by Paul Einzig pp. 226 21s.

This veteran economist lively discusses the economic implication of automation, beginning with the definition of the term and treating, among others, unemployment, business cycle, monetary policy, advantages and disadvantages of automation. It is his contention that it is quite necessary from the socio-economic point of view to develop automation as defined that "a technological method that tends to reduce current production costs in terms of man-hours per unit of output," and that the free world must keep superiority in this respect to the Communist bloc from the political stand point. Though Mr. Einzig readily admits that automatization (process) may cause dismissal of workers and oppression of small industries which are unwelcome to trade unions and some segments of the society, he concludes after careful elaboration that in the long run automation will result in the improvement of conditions of employment and the standard of living.

In Japan, however, where social welfare, employment situation in particular, is left far behind Britain, trade unions may need to learn more concrete steps that squarely tackle the obstacles in the way towards the ultimate goal.

The difficulty of obtaining large investment necessary for automatization and the anxiety regarding economic instability which would concomitantly increase are of course not negligible, but the author suggests that they can be allayed by taking effective measures. It is highly commendable that he presents the basis for the analysis and objective judgement by carefully weighing the pros and cons of various problems involved.

(K.U.)

Kabuki by Yonezo Hamamura, Takashi Sugawara, Junji Kinoshita & Hiroshi Minami (Translation by Fuji Takano). pp. 157 ¥700, \$4.00 overseas.
Kenkyusha, Ltd. Tokyo, 1956.

This is an ideal primer on the Kabuki well recommendable to foreign theatre-goers as well as Japanese Kabuki novices.

The compilers of this book are clever and thoughtful enough to pick up some of the most popular and representative of the traditional Kabuki plays such as "Ichinotani Futaba Gunki" and "Sukeroku" to explain the details of the unique nomenclatures and peculiar practices of the Kabuki plays. The first chapter "A Visit to the Kabuki Theatre" will successfully serve to initiate even the complete layman into the mysteries of the Kabuki performances through detailed and painstaking explanations of the typical Kabuki stage layout, musical accompaniments and stage effects made possible by the use of numerous Kabuki gadgets. Readers will be introduced into the origin of the Kabuki as well as its outstanding features, traditional usages and unique practices through the perusal of Chapter II "The Esthetics of the Kabuki." The development of the Kabuki plays is chronologically traced in Chapter III "Kabuki Plays" on the basis of authoritative data and dotted with timely reference to popular lines. The Chapter will also enable foreign readers to get a peep at the life of Japanese Kabuki actors as well as the secrets of the greenroom.

The past transition of the Kabuki in relation with the Japanese cultural advancement is treated in Chapter VI "The Position of the Kabuki in the Cultural History of Japan." In the reviewer's opinion, this chapter should have come at the start of the book in order to give the general idea of the Kabuki in the daily life of the Japanese people past and present. By and large, "Kabuki" will be a good guide for foreign Kabuki students to become acquainted with the alpha of the Japanese Kabuki drama, although some more exhaustive studies are considered necessary for them to become aware of the omega of this traditional Japanese dramatic art.
(S. Atsumi)

Minos or Minotaur? (The Dilemma of Political Power)

by John Bowle
Jonathan Cape, London 1956 pp. 209 15s.

In a form of prospectus for world union as the ultimate alternative for total destruction by hydrogen-bomb warfare that threatens in the present world conflicts caused by lack of the proper organization of government, the author touches upon a wide range of subjects involved "to form some basis for discussion of various urgent contemporary political and social problems." The great variety of topics may have rendered the total effect of book somewhat discursive, especially to those who do not keep up with the thoughts in the forefront of forcefully developments in every field of learning which has increasingly interacted on each other, but the author's fundamental idea that all social sciences concerning human existence form a branch of biology, builds a sound and solid basis for his cogent criticism on the relativistic point of view held by T. D. Weldon and Michael Oakeschott. Most of Mr. Bowle's contentions represent the new horizons in the thoughts of those who grapple with the difficulties that face the task of keeping civilization intact.

Mr. Bowle supports the Western democracy which has set up the NATO and SEATO as the bulwarks against the Communist aggression and expects further developments in the UNO (such as FAO, ILO, WHO, etc). These are immediate strategic devices "to keep the peace by strength and firm negotiation" and the rudimentary steps towards the ultimate goal, a constitutional world government. At the same time, he stresses the importance of conscience for the moralization of power.

The real trouble is that the existing structure of communication makes it too long for the type of this book to exert appreciable influence over its very targets, men of affairs conditioned by conservatism and traditionalism on one side and by Leninist dialectical materialism on the other.
(N.W.)

1. Business Indices

Year & Month	Treasury Accounts with the Public (2) (Fiscal year) (In 100 million yen)	Bank of Japan Account (1) (In 100 million yen)		Monthly Report of All Banks (1) (In 100 million yen)		Tokyo Stock Prices (3)		
		Note issues	Loans	Deposits	Advances	Dow Jones Average (yen)	Turnovers (In million issues)	Interest Yield (%)
1948 av.	↔ 213	3,552	519	5,053	3,813	—	141.6	—
1949 "	808	3,553	886	7,920	6,790	149.95	255.9	6.77
1950 "	↔ 419	4,220	1,145	10,485	9,947	101.87	512.1	9.53
1951 "	346	5,063	2,230	15,063	15,178	136.10	821.3	11.91
1952 "	24	5,764	2,232	22,238	21,280	245.67	2,002.6	9.85
1953 "	951	6,298	2,987	27,076	26,712	390.90	2,091.5	7.44
1954 "	↔ 1,900	6,220	2,433	30,366	29,119	340.79	1,238.5	9.44
1955 "	↔ 2,766	6,738	319	37,243	31,958	374.00	2,505.3	7.96
1956 " .....	..	7,849	1,399	47,634	40,657	485.33	6,692.4	6.68
1955								
September	↔ 70	5,298	1,434	34,627	30,301	386.16	220.8	7.60
October	↔ 867	5,493	830	34,257	30,360	401.47	314.1	7.15
November	↔ 165	5,593	642	35,294	30,848	401.53	290.8	7.35
December	↔ 1,792	6,738	319	37,243	31,958	409.81	384.0	6.92
1956								
January	703	5,828	281	36,499	31,603	426.40	357.3	6.92
February	202	5,685	209	36,837	31,818	429.71	387.1	6.61
March	269	5,747	273	38,929	32,584	444.29	491.6	6.53
April	↔ 558	5,847	184	38,475	32,392	471.86	712.1	6.45
May	454	5,614	229	39,378	32,902	480.56	608.9	6.38
June	198	5,969	629	40,635	34,062	502.21	715.7	6.33
July	↔ 4	5,975	625	40,883	34,822	496.80	417.1	6.51
August	398	5,924	926	41,683	35,685	502.03	417.2	6.69
September	↔ 51	5,995	913	44,258	37,208	487.24	323.2	7.25
October	↔ 333	6,110	756	43,635	37,219	486.19	540.3	7.25
November	↔ 213	6,263	711	45,237	38,418	532.76	1,053.0	6.66
December	↔ 870	7,849	1,399	47,634	40,657	554.72	668.9	6.77
1957								
January	1,409	6,765	1,661	..	..	572.80	976.9	6.47
Ag. Previous Month (%) ..	—	↔ 13.8	↔ 18.7	↔ 5.3	↔ 5.8	↔ 3.3	↔ 46.0	↔ 4.4
Ag. Corr. Month in 1956 (%)	—	↔ 16.1	↔ 491.1	↔ 27.9	↔ 27.2	↔ 34.3	↔ 173.4	↔ 6.5

Year & Month	Tokyo Wholesale Price Indices (1) Total Average		Tokyo Retail Price Indices (1) Total Average 1952=100	Export & Import Price Indices (1) (July, 1949=100)		Cost of Living Tokyo (4) (Nov., 1946=100)	Consumer Price Indices (1951=100) (5)	
	1952=100	1934-1936=100		Exports	Imports		Tokyo	All Cities
1948 av.	—	12,792.6	—	—	—	472.9	74.0	69.9
1949 "	—	20,876.4	—	—	—	607.9	92.7	92.2
1950 "	—	24,680.7	—	115.6	107.8	541.1	86.1	85.9
1951 "	—	34,253.1	—	165.5	136.3	637.4	100.0	100.0
1952 "	100.0	34,921.5	100.0	122.1	134.9	681.9	104.2	105.0
1953 "	100.4	35,157.3	103.5	127.9	110.1	782.1	112.0	111.9
1954 "	99.7	34,920.8	106.9	125.0	105.7	850.2	118.1	119.1
1955 "	97.9	34,293.1	102.4	123.5	106.5	847.4	116.4	117.8
1956 "	102.2	35,793.4	102.1	128.9	104.5	832.3	117.5	..
1956								
January	98.6	34,539.6	99.8	127.1	106.1	839.1	115.5	116.4
February	99.3	34,789.5	100.7	127.5	105.2	835.2	116.8	117.4
March	99.6	34,894.6	102.3	128.1	103.7	835.2	118.2	118.5
April	100.2	35,104.8	102.6	128.7	103.8	838.3	118.4	119.1
May	101.3	35,490.2	101.6	128.9	104.4	830.5	118.6	118.1
June	101.4	35,525.2	103.1	128.4	104.4	836.8	118.7	118.8
July	101.6	35,595.3	102.9	127.9	104.0	838.3	115.0	117.2
August	102.8	36,015.7	103.3	128.3	103.9	832.1	116.5	118.4
September	104.7	36,681.3	102.6	129.6	103.4	820.3	117.2	118.5
October	104.5	36,611.3	102.7	130.0	103.4	828.2	118.4	119.4
November	105.6	36,996.6	101.7	130.9	105.1	825.8	117.7	118.5
December	106.4	37,276.9	101.5	131.8	106.4	827.4	118.9	..
1957								
January	106.7	37,382.0	102.2	..	..	847.0	119.8	..
February .....	..	..	..	..	..	860.3	..	..
Ag. Previous Month (%) ..	↔ 0.3	↔ 0.3	↔ 0.8	↔ 0.7	↔ 1.2	↔ 1.6	↔ 0.8	↔ 0.8
Ag. Corr. Month in 1956 (%)	↔ 8.2	↔ 8.2	↔ 2.5	↔ 4.5	↔ 0.8	↔ 3.0	↔ 3.7	↔ 2.2

Sources: (1) Bank of Japan.

(2) Ministry of Finance.

(3) Tokyo Securities Exchange.

(4) The Oriental Economist.

(5) Statistics Bureau, Prime Minister's Office.

2. Business Indices

Year & Month	Consumption Level (1) (1934-1936=100)			Manufacturing In- dustry Wages (2) (1934-6=100)		Employ- ment In- dices for Mfg. In- dustries (2) (1947=100)	Number of Un- employed (3) (In 10,000)	E.P.B. Indices (1) (1934-6=100)		Producers' Shipments Indices (Mining) (1950= 100) (4)	Material Stock Indices (Manufac- turing) (1950= 100) (4)
	Total	Urban	Non- Urban	Nominal (Yen)	Real (Indices)			Business Activity Indices	Mining Manufac- turing		
1948.....	—	61.2	—	4,381	48.6	101.0	24	61.8	54.6	—	—
1949.....	—	65.0	—	7,516	66.3	102.0	38	76.7	71.0	—	—
1950.....	—	69.8	—	9,135	85.4	97.1	44	88.0	83.6	100.0	100.0
1951.....	—	68.9	—	11,708	92.1	104.5	39	119.4	114.4	130.4	136.5
1952.....	94.8	80.2	116.6	13,516	102.3	107.7	47	131.8	126.4	140.7	145.4
1953.....	105.6	94.0	123.0	15,322	107.3	112.7	45	161.2	155.1	164.7	164.7
1954.....	111.0	100.0	127.5	16,309	108.0	118.2	58	173.5	166.9	172.6	165.7
1955.....	115.1	106.5	128.1	16,717	114.5	116.6	68	187.9	180.7	188.1	155.3
1956.....	..	..	..	..	..	..	..	227.1	218.9	226.2	191.9
1955 December	175.4	167.3	187.5	27,784	185.8	116.6	57	207.1	199.1	210.7	161.4
1956 January	117.0	102.3	139.0	15,914	111.1	116.2	68	189.4	181.6	189.8	160.7
February.....	116.8	101.0	140.4	15,598	109.9	116.2	75	198.6	191.0	204.1	157.5
March.....	116.6	104.3	135.1	15,478	107.4	117.7	106	208.1	200.1	216.6	161.1
April.....	116.5	106.1	132.2	15,925	110.5	121.7	70	219.4	211.2	217.3	169.6
May.....	105.3	99.8	113.6	15,623	107.6	121.9	62	220.4	212.2	220.9	181.5
June.....	106.7	105.6	108.4	20,435	134.6	122.1	57	223.3	215.4	220.1	195.5
July.....	120.8	123.3	117.1	22,214	152.6	122.6	57	227.5	219.3	227.2	198.8
August.....	111.9	98.1	132.5	16,647	116.6	122.9	57	228.1	220.2	231.8	208.7
September	107.4	99.0	120.0	16,055	112.6	123.5	56	232.9	224.9	241.4	214.3
October	113.8	104.4	127.9	16,179	111.6	123.8	51	233.6	225.1	244.6	229.1
November .....	..	104.8	..	16,692	116.4	123.9	53	241.1	232.5	247.0	212.3
December .....	..	..	..	..	..	..	..	243.9	234.8	253.0	213.9
Ag. Previous Month (%)	↕ 6.0	↕ 0.4	↕ 6.6	↕ 3.2	↕ 4.3	↕ 0.1	↕ 3.9	↕ 1.2	↕ 1.0	↕ 2.4	↕ 0.8
Ag. Corr. Month in 1955 (%).....	↕ 0.6	↕ 5.6	↕ 1.8	↕ 7.4	↕ 5.1	↕ 6.3	↕ 7.0	↕ 17.8	↕ 17.9	↕ 20.1	↕ 32.5

Year & Month	Producer's Stock Indices Mining	Seller's Stock Indices (4)	Car- loadings (5)	Depart- ment Store Sales (4)	Foreign Trade (6) (In \$1,000)			Foreign Trade Volume Indices (1934-6=100) (6)		Foreign Exchange (7) (In \$1,000)		
	Mfg. Total (4)	1950= 100	Indices 1941=100		Exports	Imports	Balance	Exports	Imports	Received	Paid	Balance
	1950=100											
1948.....	—	—	82.3	3,036.1	258,271	684,220	△ 425,949	—	—	—	—	—
1949.....	—	—	86.9	5,499.8	509,700	904,845	△ 395,145	—	—	—	—	—
1950.....	100.0	100.0	87.4	7,690.2	820,055	974,339	△ 154,284	78.1	45.0	1,008,310	677,207	331,102
1951.....	98.7	83.4	106.2	11,943.3	1,354,520	1,995,039	△ 640,520	87.1	66.8	2,240,580	1,909,277	331,303
1952.....	121.3	85.5	103.3	15,108.9	1,272,915	2,028,193	△ 755,278	92.4	73.6	2,239,127	1,924,815	314,312
1953.....	120.2	96.1	105.7	19,818.1	1,274,843	2,409,637	△ 1,134,795	100.0	100.0	2,120,037	2,313,716	↔ 193,679
1954.....	155.5	109.2	105.6	22,193.7	1,629,236	2,399,404	△ 770,168	133.3	103.6	2,309,264	2,209,296	99,967
1955.....	144.4	113.6	105.9	23,668.9	2,010,600	2,471,430	△ 460,831	174.1	108.9	2,667,645	2,173,846	493,798
1956.....	134.3	..	113.4	..	2,446,847	3,229,802	728,955	207.9	138.2	3,224,763	2,931,429	293,334
1956 January	133.9	113.7	107.8	19,503.4	149,781	218,555	△ 68,774	153.2	115.6	238,341	208,812	29,528
February.....	133.1	112.5	113.3	19,444.2	185,704	220,380	△ 34,676	191.1	115.9	254,216	210,348	43,868
March.....	126.9	113.8	101.9	27,180.0	223,874	253,365	△ 29,492	222.4	133.6	256,733	206,487	50,246
April.....	127.5	115.6	109.7	26,251.0	195,255	255,262	△ 60,006	201.4	133.5	275,550	223,647	52,002
May.....	130.4	123.8	111.2	23,580.9	194,961	271,747	△ 76,786	195.1	142.4	245,458	217,004	28,454
June.....	135.0	126.0	115.4	24,226.7	210,742	280,403	△ 69,661	210.9	144.6	295,161	253,225	41,935
July.....	136.9	132.2	116.5	31,697.4	197,783	276,447	△ 78,624	196.0	142.6	274,461	286,437	↔ 11,976
August.....	135.6	143.4	118.3	23,837.8	215,842	289,392	△ 73,568	212.4	147.4	282,587	283,071	↔ 484
September	134.1	141.8	119.3	20,936.3	205,228	258,966	△ 53,758	202.3	130.0	256,807	237,945	18,862
October.....	△ 136.1	140.8	120.3	27,932.6	233,912	304,769	△ 70,847	231.9	155.3	289,362	264,048	25,314
November.....	141.0	138.2	116.6	31,475.4	216,067	281,994	△ 65,927	213.0	140.5	269,821	269,289	532
December.....	141.6	..	110.3	..	*271,817	*318,539	△ 46,722	265.3	156.8	286,190	274,081	12,109
1957 January .....	..	..	..	..	169,211	328,381	△ 159,170	..	..	..	..	..
Ag. Previous Month (%)	↕ 0.4	↕ 1.8	↕ 5.4	↕ 12.7	↕ 37.7	↕ 3.1	—	↕ 24.6	↕ 11.6	↕ 6.1	↕ 1.8	—
Ag. Corr. Month in 1956 (%).....	↕ 7.5	↕ 17.8	↕ 1.0	↕ 20.4	↕ 13.0	↕ 50.3	—	↕ 5.7	↕ 27.5	↕ 6.5	↕ 32.1	—

Notes: △ in Foreign Trade means excess in import.

△ Revised at source.

Sources: (1) Economic Planning Board

(3) Statistics Bureau, Prime Minister's Office

(5) Ministry of Transportation

(7) Bank of Japan

(2) Ministry of Labor

(4) MITI

(6) Ministry of Finance

3. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1955	Fiscal 1956									1956
	Total	Apr.-June	August	Sept.	July-Sept.	Oct.	Nov.	Dec.	Oct.-Dec.	Jan. 1957	Jan.
General Account											
Revenue											
Taxes	536	1,996	779	697	2,217	591	599	1,191	2,383	842	654
Monopoly	94	335	130	56	254	35	38	82	154	56	29
Others	70	164	45	30	98	43	33	75	150	26	30
Total	700	2,495	954	783	2,569	669	670	1,348	2,687	924	713
Expenditure											
Defense Expenditure	92	117	14	11	108	88	11	30	129	85	100
Defense Board	154	265	58	46	157	56	71	122	249	47	39
Public Works Expenditure	180	333	102	79	247	99	92	249	442	27	25
Local Finance Equalization Grants ..	374	748	223	202	461	35	363	22	416	41	36
Compulsory Education Expenditure ..	40	179	45	—	166	107	124	7	238	106	49
Others	456	959	238	242	703	283	253	531	1,062	190	163
Total	1,296	2,601	680	580	1,842	668	911	961	2,536	496	412
Balance	△ 506	△ 106	274	203	727	1	△ 241	387	151	428	301
Special Accounts and Others											
Foodstuff Control	384	579	△ 7	△ 93	△ 399	△ 300	△ 113	△ 612	△ 1,024	△ 307	186
Trust Fund Bureau	△ 66	△ 200	△ 2	△ 16	△ 84	△ 55	2	△ 231	△ 283	△ 16	12
Industrial Investment	—	28	—	63	43	△ 16	△ 15	9	△ 22	△ 13	△ 20
National Railways and Nippon Telegraph & Tel. Public Corporation ..	42	150	35	△ 13	△ 12	57	16	△ 196	△ 120	120	135
Finance Corporation	△ 50	△ 156	△ 49	△ 73	△ 175	△ 62	△ 71	△ 146	△ 280	△ 54	△ 35
Others	△ 174	△ 11	154	43	265	△ 20	162	△ 9	126	306	161
Total	136	390	131	△ 92	△ 362	△ 386	△ 19	△ 1,185	△ 1,603	650	439
Designated Deposits	—	—	—	—	—	—	—	—	—	—	—
Adjustment Items	54	△ 95	△ 13	△ 38	△ 1	72	△ 31	9	48	102	68
Foreign Exchange	△ 143	△ 95	6	△ 124	△ 21	△ 10	78	△ 81	△ 12	229	△ 105
Balance	△ 558	94	398	△ 51	343	△ 333	△ 213	△ 870	△ 1,416	1,409	703

4. Monthly Report of All Banks

(November, 1956: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks						Trust Account (17)
	Debenture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	
Deposits							
Current Deposits	12,813	697,628	138,324	39,743	888,509	623,491	—
Ordinary Deposits	6,897	534,269	327,484	16,647	885,209	719,637	—
Deposits at Notice	19,088	194,197	51,624	19,333	284,243	238,051	—
Time Deposits	10,173	1,216,877	686,318	32,771	1,946,140	1,526,974	—
Special Deposits	9,458	166,615	49,627	8,613	234,314	166,578	—
Instalment Savings	—	35,906	97,265	347	133,519	124,213	—
Deposits for Tax Payment	110	6,866	2,299	393	9,669	8,329	—
Deposits of Gov't and Gov't Agencies ..	1,350	140,399	—	—	141,749	121,362	* 159,327
Other Deposits	—	643	—	—	643	939	** 157,215
Total	59,890	2,993,408	1,852,944	117,861	4,524,090	3,529,577	—
Borrowed Money	5,091	137,563	2,191	2,010	146,855	106,367	—
Borrowings for Settlement of Import Bills	—	21,154	—	—	21,154	15,521	—
Call Money	—	108,555	9,580	11,817	129,953	84,363	—
Cash and Deposits							
Cash in Hand	8,321	554,845	90,163	24,116	677,453	455,277	1,330
Deposits with Domestic Money Organs ..	138	7,194	20,999	2,292	30,625	46,433	827
Call Loans	13,807	12,297	44,356	3,320	73,780	41,213	22,480
Securities							
Government Bonds	2,833	38,374	11,350	838	53,396	46,501	79
Local Government Bonds	2,041	25,538	24,428	335	52,334	29,086	1,135
Foreign Bonds	—	2,464	—	—	2,464	2,862	9
Corporate Debentures	11,156	241,612	185,918	5,527	444,615	358,004	3,374
Stocks	9,831	58,082	21,402	3,647	92,963	53,231	2,328
Other Bonds	152	279	1,281	787	2,497	1,519	23
Total	26,015	366,349	244,382	11,535	648,282	491,205	6,951
Advance							
Discount Bills	12,363	891,367	312,727	63,488	1,279,946	1,069,885	19,446
Bank Acceptance Bills	—	723	12,286	20	13,035	23,506	—
Commercial Bills	12,363	891,115	298,397	63,455	1,363,331	1,043,342	—
Documentary Bills	—	1,524	2,043	12	3,580	3,035	—
Advances against Guarantee	354,423	1,340,915	754,973	43,855	2,949,167	1,566,036	272,111
Loans on Bills	62,993	1,277,615	708,407	42,874	2,091,890	1,645,961	103,048
Loans on Deeds	291,404	27,571	35,689	662	355,327	298,345	49,993
Overdrafts	25	35,728	10,877	317	46,949	21,729	—
Loans for Settlement of Import Bills ..	1,708	63,881	938	1,239	67,767	48,958	—
Total	368,495	2,296,163	1,068,639	108,582	3,841,881	3,084,880	291,558

Note: △ Means excess of payment. * Money in trust total. ** Loan trust.

5. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

Items	1957			1956
	Jan. 10	Jan. 20	Jan. 31	Jan. 31
LIABILITIES				
Bank Notes Issued	656,832	639,447	676,482	582,809
Bankers' Deposits	5,811	6,242	5,353	4,053
Government Deposits	54,410	40,053	47,952	51,879
Other Deposits	34,649	35,230	30,102	26,127
Inter-Bank Remittance Deposits	—	—	—	22,301
Reserves Against Contingencies	28,098	28,098	28,098	25,615
Other Liabilities	46,978	46,505	49,728	32,240
Capital Stock	100	100	100	100
Reserve Funds	15,236	15,236	15,236	13,473
Total.....	842,117	810,916	853,055	768,601
ASSETS				
Bullion	447	447	447	447
Cash	1,605	1,780	2,325	3,197
Discounted Bills	22,320	24,624	24,637	8,676
Loans	65,461	78,003	141,441	19,463
Foreign Exchange Loans ..	3,026	2,963	2,859	1,561
Advances to Government ..	—	—	—	1,250
Government Bonds	520,982	473,136	451,567	483,291
Foreign Ex. Accounts	179,162	179,179	179,354	184,297
Inter-Bank Remittance	—	—	—	17,617
Agencies Accounts	7,491	9,722	7,791	9,148
Other Assets	41,619	41,057	42,630	29,251
Total.....	842,117	810,916	853,055	768,601

6. Outstanding Loans to Industries by All Banks

(In million yen) (Bank of Japan)

End of Month	September, 1956			October, 1956		
	Loans Total	For Equipments	For Co. with less ¥100 Billion	Loans Total	For Equipments	For Co. with less ¥100 Billion
Manufacturing total	1,743,365	156,487	547,755	1,736,277	164,377	554,157
Foodstuffs	173,202	8,075	88,002	171,110	8,793	88,124
Textiles	420,607	31,262	161,884	420,897	33,700	168,025
Wood and Wood Products ..	69,053	1,548	53,293	69,012	1,629	58,337
Paper & Related Products ..	97,832	11,122	18,218	97,215	11,856	18,620
Printing & Publishing ..	36,777	4,008	14,114	37,198	3,997	14,184
Chemicals	206,235	26,740	30,894	204,376	28,651	30,286
Glass & Ceramics	58,758	11,114	13,568	58,922	11,723	13,377
Primary Metals	213,904	32,783	24,796	210,122	33,083	24,649
Machinery	84,867	3,967	37,734	82,563	4,183	37,478
Electric Machinery & Tools ..	114,946	9,431	15,429	116,349	9,507	16,022
Trans. Machinery & Tools ..	112,394	8,024	16,954	112,177	8,017	16,784
Agriculture	12,011	495	11,690	11,043	497	10,695
Forestry & Hunting	9,290	50	7,876	9,528	48	7,773
Fishery	54,757	15,914	17,741	53,376	16,172	17,921
Mining	91,415	17,122	12,392	88,418	17,162	12,177
Metal Mining	15,409	4,003	652	14,978	4,035	664
Coal Mining	65,988	10,929	8,889	63,319	10,768	8,680
Construction	78,828	1,058	36,267	80,783	1,005	26,528
Wholesale & Retail	1,144,980	11,785	602,099	1,153,195	12,739	638,737
Wholesale	1,044,000	6,281	529,259	1,049,516	7,031	534,032
Retail	100,980	5,503	72,840	103,678	5,707	74,704
Finance Insurance	54,972	82	9,470	55,548	91	9,188
Real Estate	20,479	8,591	8,496	21,184	9,053	8,629
Trans. & Public Utilities ..	300,686	210,422	20,840	297,891	210,718	20,901
Railways	25,064	12,713	191	23,588	11,771	192
Shipping	96,747	64,866	7,394	97,136	65,031	7,698
Electric	112,661	111,063	28	112,768	111,356	25
Services	64,753	16,409	45,837	66,651	17,170	46,295
Local Public Corporation ..	56,707	19,224	—	55,432	19,037	—
Others	43,634	2,178	43,431	45,129	2,330	44,926
Total	3,675,884	459,823	1,363,899	3,674,466	470,469	1,377,932

7. Bank of Japan Official Interest Rates

(In sen per diem per ¥100)**

Revised on	Commer- cial Bills	Against Gov't Bonds *	Advance Against Securi- ties other than Gov't Bonds	Over- draft	Year & Month
1932: Aug. 18	1.2	1.3	1.4	1.6	1956:
1933: July 3	1.0	1.1	1.2	1.4	Apr.
1938: Apr. 7	0.9	1.0	1.1	1.3	May
1937: July 15	0.9	0.9	1.1	1.2	June
Sept. 21	0.9	0.9	1.1	1.1	July
1946: Apr. 9	0.9	1.0	1.1	1.3	Aug.
Oct. 14	1.0	1.1	1.2	1.4	Sept.
1948: Apr. 25	1.2	1.3	1.4	1.7	Oct.
July 5	1.4	1.5	1.6	1.9	Nov.
1949: Apr. 1	▲ 1.4	1.5	1.6	1.9	Dec.
June 2	1.4	1.5	1.6	1.9	1955:
Oct. 1	1.6	1.7	1.8	2.1	Dec.
1955: Aug. 10	2.0	2.1	2.2	2.3	

8. Interest Rates for Advances by Member Banks

(In sen per diem per ¥100)

(Tokyo Banking Assoc.)

Year & Month	Loans on Deeds		Loans on Bills		Overdraft		Discount Bills	
	High	Low	High	Low	High	Low	High	Low
1956: Apr.	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
May	3.20	2.40	3.10	1.80	3.00	1.90	3.00	2.00
June	3.20	2.40	3.10	1.80	3.00	1.90	3.00	1.90
July	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Aug.	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Sept.	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Oct.	3.20	2.40	3.10	1.80	3.00	1.80	3.00	1.90
Nov.	3.20	2.40	3.10	1.80	3.00	1.80	3.00	1.90
Dec.	3.20	2.40	3.10	1.80	3.00	1.80	3.00	1.90
1955: Dec.	3.30	2.60	3.30	1.80	3.00	2.00	3.20	2.00

9. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo		Osaka	
	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)
1956: May	1.55	53,476	1.60	24,024
June	1.75	47,234	1.80	19,392
July	2.10	53,665	2.15	20,382
Aug.	2.30	59,175	2.35	21,625
Sept.	2.35	54,523	2.35	21,330
Oct.	2.05	65,529	2.10	23,961
Nov.	2.05	81,560	2.05	27,358
Dec.	2.50	67,722	1.50	23,460

10. Interest Rates of City Bank Deposits

(In sen per diem per ¥100)

(Bank of Japan)

Enforced on	Time Deposits (%)			Current Deposits	Ordinary Deposits	Deposits at Call	Other Deposit
	Three Months	Six Months	One Year				
1940: Feb. A..	—	—	—	—	—	—	—
B..	—	3.4	—	—	—	—	—
1944: July ..	—	3.3	—	0	0.5	0.6	0.6
1947: June ..	3.3	3.5	3.6	0	0.5	0.6	0.6
1948: Jan. ..	3.7	4.0	4.2	0	0.5	0.6	0.6
July ..	3.8	4.2	4.4	0	0.5	0.6	0.6
1949: Aug. ..	3.8	4.4	4.7	0	0.5	0.6	0.6
1951: Jan. ..	3.8	4.6	5.0	0	0.5	0.6	0.6
May ..	3.8	5.0	5.5	0	0.5	0.6	0.6
Sept. ..	4.0	5.0	6.0	0	0.6	0.7	0.7

Notes: ▲ includes foreign trade bills. * includes stamp bills, (foreign trade bills, etc. from Oct. 14, 1946; and from June 1949 includes financial and other preferential debentures. ** HOW TO COMPUTE PER DIEM INTEREST:—In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in use in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate multiply the latter by 365. For example, a diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

11. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

12. Dishonored Bills

(In million yen)

(Tokyo Clearing House)

Year & Month	All Clearing Houses		Tokyo		Osaka		Of which, Transactions with Bank Suspended							
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	Tokyo		Osaka		All Clearing Houses		All Clearing* Houses	
	(1,000)		(1,000)		(1,000)		No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1956: Apr. ..	11,438	3,065	4,616	1,416	2,322	723	45	3,256	33	2,142	134	9,120	6,464	430
May....	12,099	3,040	4,863	1,405	2,454	715	49	3,567	33	2,130	141	9,416	6,600	413
June....	13,049	3,215	5,179	1,494	2,598	768	44	3,496	29	2,098	127	9,072	5,911	362
July....	12,413	3,232	5,080	1,493	2,465	770	45	3,268	31	2,258	131	9,026	6,089	364
Aug. ..	12,134	3,374	4,818	1,543	2,480	810	45	3,226	34	2,153	130	8,782	6,148	266
Sept. ..	11,520	3,457	4,628	1,521	2,346	838	44	3,187	28	2,051	121	8,196	5,768	386
Oct.	13,014	3,779	5,178	1,797	2,641	902	54	4,343	37	2,577	157	11,193	7,165	469
Nov. ..	12,511	3,599	4,995	1,599	2,544	872	51	5,352	25	2,458	146	11,793	6,497	437
1955: Nov. ..	11,016	2,822	4,392	1,318	2,215	649	49	3,820	26	2,290	150	10,724	7,154	490

Note: *—Suspension of business.

13. Postal Savings & Postal Transfer Savings

(In million yen) (Ministry of Postal Services)

14. Average Yields of Debentures

(Industrial Bank of Japan)

End of Month	Postal Savings			Postal Transfer Savings	Total	Month	Gov't Bonds	Financial Debenture		Industrial Debenture
	Receipts	Pay-ments	Balance					Interest Bearing	Discount	
1956: May....	53,800	46,191	535,639	5,789	541,428	1956: Apr.	6.331	7.411	6.224	7.701
June....	51,373	39,883	552,967	5,315	558,282	May....	—	7.411	6.224	7.674
July....	60,879	42,301	571,545	6,748	578,293	June....	6.324	7.411	6.224	7.644
Aug.	48,914	42,310	578,149	5,901	584,050	July....	—	7.411	6.224	7.918
Sept. ..	46,704	42,238	582,615	7,838	590,453	Aug. ..	6.362	7.204	6.224	7.410
Oct.	59,858	46,680	595,792	6,531	602,303	Sept. ..	6.324	7.204	6.224	7.380
Nov.	45,682	41,622	596,506	9,372	605,878	Oct.	6.331	7.204	6.224	7.372
1955: Nov. ..	36,796	35,295	489,291	6,772	496,063	Nov. ..	—	7.204	6.224	7.367

15. Tokyo Wholesale Price Indices

(1952 as 100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1956 Average	102.2	104.0	87.1	104.8	110.3	122.2	86.5	92.2	104.0	115.6	99.7
1956: October	104.5	103.9	85.7	105.0	119.4	132.0	86.6	92.7	107.8	124.2	100.2
November	105.6	105.1	87.5	109.2	118.8	131.0	86.8	93.0	108.3	123.9	102.0
December	106.4	106.8	87.3	111.6	119.2	130.6	87.0	93.1	108.7	124.5	103.4
1957: January	106.7	106.5	86.6	112.9	119.0	133.1	87.7	92.8	109.3	125.7	103.3
1956: January	98.6	115.1	..	105.2	99.6	112.7	85.8	92.6	98.5	105.5	98.6

16. Tokyo Wholesale Price Indices

(1934-36=100)

(Bank of Japan)

Year & Month	Average	Agricultural Products	Textiles	Fuel	Metals & Machinery	Building Materials	Chemical Products	Miscellaneous
1955 Average	34,293.1	..	35,551.3	32,356.2	33,240.5	40,424.1	25,208.6	24,600.6
1956 "	35,793.8	32,849.8	35,901.6	33,593.3	39,941.2	43,477.1	26,345.8	24,247.6
1956: August	36,015.7	32,878.7	35,026.0	33,152.4	41,109.2	45,706.0	26,196.0	24,930.1
September	26,681.3	32,941.9	35,561.6	33,401.9	43,437.3	47,342.2	26,317.9	24,390.1
October	26,611.3	32,815.6	35,314.4	33,665.4	43,246.2	46,950.9	26,378.8	24,390.1
November	36,996.6	33,194.6	26,056.1	35,012.0	43,028.9	46,595.3	26,439.7	24,469.0
December	37,276.9	33,731.5	35,973.7	35,781.5	43,137.8	46,453.0	26,500.6	24,495.4
1957: January	37,382.0	33,636.7	35,685.3	26,198.3	43,101.3	47,342.2	26,713.9	24,416.4
1956: January	34,509.2	..	35,190.8	33,633.4	36,074.7	40,086.2	26,135.1	24,363.8

17. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1956 Average	102.1	109.5	88.0	98.3	102.0	111.0	94.1	98.8	30,669.4
1956: September	102.6	110.3	88.9	99.2	101.7	108.0	94.1	98.9	30,829.7
October	102.7	110.0	88.8	99.9	101.7	112.1	94.5	99.1	30,859.7
November	101.7	107.7	89.0	100.0	102.1	115.1	94.9	99.3	30,559.2
December	101.5	106.8	89.1	100.0	102.1	121.1	96.1	99.9	30,499.1
1957: January	102.3	108.2	89.0	99.6	103.7	131.9	94.7	100.1	30,739.5
1956: January	99.8	106.0	87.3	95.5	102.2	114.6	93.2	98.7	29,988.4

Note: * except perishable vegetables. Δ Provisional figures. ^ Revised at source.

18. Weekly Wholesale Price Indices

(June 18-24, 1950=100)

(Economic Planning Board)

		Average	Food-stuffs	Textiles	Fuel	Metals	Machinery	Building Materials	Chemicals	Miscellaneous	Consumer Goods	Producer Goods
1956: Dec.	8	169.7	150.7	93.3	169.0	311.6	196.1	230.5	107.1	136.0	145.2	175.5
	15	170.5	152.4	92.7	173.5	310.9	196.1	230.7	107.3	136.5	147.2	183.2
	22	171.1	155.9	92.3	173.6	310.0	196.1	230.7	107.3	136.5	149.5	182.9
	29	172.4	161.4	92.2	173.9	309.1	196.1	230.8	107.7	136.5	153.2	182.9
1957: Jan.	5	172.6	161.2	92.4	173.9	310.9	196.1	230.8	107.7	136.5	153.1	183.3
	12	172.2	158.4	92.0	175.6	309.9	196.1	233.6	107.9	136.0	151.2	183.6
	19	171.9	157.1	91.6	176.8	309.4	196.0	233.5	108.1	135.6	150.3	183.7
	26	172.5	159.0	91.2	176.8	308.4	196.0	237.2	108.3	136.3	151.6	183.9
Feb.	2	172.9	159.5	91.6	176.4	310.0	196.1	237.2	108.4	136.3	152.5	184.0
	9	173.9	163.0	91.8	176.4	310.0	195.4	239.6	108.4	136.0	155.0	184.2

19. Commodity Quotations & Turnovers

Tokyo Cotton Yarn (20, single, per lb.)									Osaka Cotton Yarn (20, single, per lb.)								
Year & Month	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)			
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month				
1956: June.....	212.9	192.6	212.9	190.0	178.9	181.5	59	204.4	189.1	201.9	184.2	175.1	179.0	506			
July.....	201.0	182.7	182.7	180.9	164.5	164.5	83	196.9	173.1	174.5	179.9	163.1	163.1	750			
August	192.2	175.0	182.4	177.5	166.1	174.5	92	186.0	168.5	180.0	170.8	163.1	168.5	334			
September	193.9	187.2	189.3	184.0	171.0	184.0	76	192.5	182.0	192.5	179.3	166.9	179.3	353			
October	193.1	185.0	185.0	184.9	171.0	178.3	70	191.9	184.6	186.0	179.6	168.9	174.9	275			
November	196.4	186.0	191.9	186.0	182.0	191.0	71	200.0	184.0	195.0	192.0	176.5	188.0	490			
December	193.0	187.0	190.5	191.1	181.7	186.2	34	193.3	184.9	187.4	188.9	180.0	182.5	201			
1957: January	190.7	187.6	187.6	187.0	181.7	185.9	35	187.3	183.9	184.0	182.4	177.1	181.6	240			

Tokyo Rayon Staple (Viscose 120 D. per lb.)									Osaka Rayon Staple (Viscose 120 D. per lb.)								
Year & Month	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)			
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month				
1956: June.....	283.0	230.0	274.9	232.2	213.0	220.0	445	285.9	227.5	283.0	230.1	210.0	219.0	884			
July.....	275.9	251.1	269.9	224.8	208.9	215.1	389	290.0	251.9	290.0	222.9	210.5	212.1	685			
August	279.8	251.5	279.8	225.1	213.9	223.5	324	277.9	250.1	277.9	223.9	209.7	220.0	623			
September	279.9	246.9	269.9	241.8	221.1	241.8	397	290.0	242.6	290.0	238.1	219.5	238.1	840			
October	266.3	222.1	240.9	241.9	217.8	230.0	534	266.9	215.0	231.5	244.5	215.6	227.1	994			
November	272.4	239.9	250.0	257.5	235.0	255.9	729	270.5	235.9	251.0	258.9	235.6	252.9	1,161			
December	263.0	244.1	245.2	255.7	241.6	245.0	357	262.1	241.5	246.0	254.1	238.1	242.1	491			
1957: January	252.3	221.1	221.1	241.5	225.0	229.1	425	251.9	219.1	226.6	239.8	223.0	227.0	705			

Nagoya Spun Rayon Yarn (30s bright, per lb.)									Osaka Spun Rayon Yarn (30s bright, per lb.)								
Year & Month	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)			
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month				
1956: June.....	159.9	150.7	159.9	148.5	141.4	145.1	4	158.4	151.0	156.1	147.9	139.8	142.0	18			
July.....	155.5	148.9	148.9	145.9	130.4	130.4	4	154.9	150.9	154.9	141.9	125.6	125.6	75			
August	149.4	140.5	148.6	134.5	129.5	132.4	4	152.9	142.9	151.5	132.9	126.1	131.7	75			
September	147.5	145.6	146.0	135.9	131.4	135.9	4	151.2	148.4	149.0	136.5	130.1	135.9	69			
October	143.0	133.0	135.8	126.5	125.3	129.0	20	147.9	131.1	131.5	137.7	124.9	128.2	37			
November	140.4	136.0	140.0	137.5	130.1	132.9	17	139.9	134.9	139.9	138.3	124.0	132.6	34			
December	138.6	134.9	135.9	133.4	127.3	128.3	14	138.0	135.1	137.9	132.9	127.5	129.0	26			
1957: January	131.9	124.5	124.5	127.4	119.0	122.0	18	134.0	129.0	132.3	127.9	120.1	123.3	27			

Yokohama Raw Silk (21 A, per kin)									Kobe Raw Silk (21 A, per kin)								
Year & Month	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)			
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month				
1956: June.....	2,108	2,051	2,066	2,112	2,060	2,067	48	2,101	2,040	2,079	2,119	2,062	2,072	13			
July.....	2,059	1,926	1,941	2,072	1,986	2,000	65	2,065	1,940	1,942	2,075	1,996	2,000	22			
August	1,990	1,889	1,897	2,019	1,960	1,985	50	1,998	1,895	1,895	2,019	1,965	1,986	19			
September	1,941	1,902	1,936	2,035	1,963	2,035	71	1,945	1,907	1,945	2,030	1,961	2,030	22			
October	2,093	2,000	2,028	2,090	2,042	2,065	102	2,090	1,995	2,028	2,094	2,010	2,060	34			
November	2,078	2,000	2,010	2,105	2,055	2,080	52	2,085	2,001	2,016	2,105	2,053	2,074	17			
December	2,030	2,001	2,004	2,089	2,052	2,075	48	2,039	1,955	1,955	2,080	2,056	2,072	16			
1957: January	2,203	1,990	2,024	2,069	1,989	2,064	70	2,038	2,000	2,030	2,066	2,000	2,063	18			

Toyohashi Cocoon (High grade, per 100 momme)									Nagoya Woollen Yarn (48, double, A grade, per lb.)								
Year & Month	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)			
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month				
1956: June.....	429	402	402	478	464	465	80	1,209	1,143	1,186	1,110	1,025	1,046	654			
July.....	399	349	357	464	445	453	101	1,144	949	959	1,052	946	951	755			
August	383	347	347	471	455	464	53	1,045	955	1,026	1,019	951	1,010	465			
September	452	428	452	493	461	493	65	1,097	1,056	1,097	1,085	1,008	1,085	515			
October	476	456	476	509	493	505	73	1,149	1,080	1,149	1,129	1,040	1,107	550			
November	494	469	469	524	505	509	63	1,277	1,139	1,181	1,207	1,140	1,194	999			
December	485	469	485	509	482	489	44	1,233	1,087	1,112	1,210	1,095	1,112	699			
1957: January	489	477	477	456	430	449	50	1,150	1,109	1,148	1,139	1,093	1,156	579			

Note: mai=cotton yarn....400 lbs., rayon yarn and spun rayon yarn....200 lbs., woollen yarn....100 lbs., cocoon....10 kan (1 kan=8,267 lbs.), rubber....250 lbs., hyo=raw silk....99.2 lbs., kin=raw silk....160 momme.

20. Exports and Imports by Value and Indices

(1934-36=100 for indices)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1955 Total	2,010,600	2,471,430	↔ 460,831	723,816	889,715	↔ 165,899
1956 Total	2,500,847	3,229,802	↔ 728,955	900,305	1,162,729	↔ 262,424
1956: August	217,192	288,997	↔ 71,805	78,189	104,039	↔ 25,850
September	205,228	258,986	↔ 53,758	73,856	93,223	↔ 19,367
October	233,922	304,769	↔ 70,847	84,221	109,729	↔ 25,507
November	216,067	281,994	↔ 65,927	77,784	101,518	↔ 23,734
December	271,817	318,539	↔ 46,722	97,902	114,619	↔ 16,716
1957: January	169,211	328,381	↔ 159,170	61,916	118,217	↔ 57,301
1956: January	149,752	218,557	↔ 68,805	53,911	78,681	↔ 24,770

21. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1952 Total	1,289,185	949,942	2,239,127	1,718,361	206,454	1,924,815	314,312
1953 Total	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	↔ 193,679
1954 Total	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955 Total	1,954,169	713,475	2,667,645	1,848,224	325,622	2,173,846	493,798
1956 Total	2,402,241	822,521	3,224,763	2,470,199	461,229	2,931,429	293,334
1956: June	223,223	71,937	295,161	205,603	47,622	253,225	41,935
July	204,621	69,839	274,461	242,829	43,607	286,477	↔ 11,976
August	212,713	69,842	282,556	232,463	50,610	283,070	↔ 516
September	187,968	68,839	256,807	207,026	30,908	237,945	18,862
October	215,857	73,504	289,362	221,399	42,648	264,048	25,314
November	197,863	71,958	269,821	234,695	34,593	269,289	532
December	205,820	80,370	286,190	231,868	42,213	274,081	12,108
1955: December	198,174	70,595	268,769	177,042	30,464	207,506	61,263

22. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1954 Total	1,629,236	560,922	492,758	575,556	2,399,404	1,411,067	433,185	554,923
1955 Total	2,010,600	816,440	649,081	545,050	2,471,430	1,322,027	599,514	539,773
1956: June	210,742	96,971	72,190	40,415	280,402	156,062	88,977	35,332
July	197,784	89,674	68,351	39,749	276,448	146,389	96,240	33,814
August	215,841	96,664	76,352	42,825	289,392	145,278	104,520	39,574
September	205,229	91,293	78,514	40,420	258,986	141,972	84,100	32,908
October	233,921	106,455	84,458	42,989	304,770	177,894	91,022	35,851
November	216,068	100,702	80,966	34,400	281,995	161,378	86,965	33,649
1955: November	168,303	70,924	49,455	47,924	223,988	125,252	55,044	43,651

23. Indices for Industrial Activities

(1934-36=100)

Year & Month	Industrial Activities				Manufacturing									
	All	Public Works	Mining-Manu- facturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Machinery
1956 average	(153) 227.1	(21) 293.7	(151) 218.9	(10) 129.4	(141) 231.1	(12) 219.3	(12) 99.9	(1) 135.2	(37) 265.6	(10) 215.4	(2) 210.3	(7) 214.3	(18) 265.6	(42) 397.3
1956: May	220.4	298.0	212.2	130.6	223.3	219.5	96.0	133.7	391.4	198.4	206.7	212.2	265.8	313.9
June	223.3	284.9	215.4	130.6	226.9	220.0	101.0	135.0	380.2	207.2	202.4	205.2	269.2	339.1
July	227.5	292.0	219.3	131.8	231.2	234.3	103.4	142.8	379.5	207.9	208.3	212.2	265.3	352.9
August	228.1	280.2	220.2	125.6	233.0	231.8	102.1	143.2	369.0	226.9	219.6	217.8	268.6	377.2
September	232.9	283.4	224.9	131.3	238.9	214.1	107.1	139.7	356.5	240.5	223.3	224.5	278.7	411.3
October	233.6	302.2	225.1	141.5	236.6	218.5	109.3	140.3	354.7	253.2	226.5	233.4	267.0	403.7
November	241.1	308.1	232.5	140.3	245.1	222.8	109.1	142.5	372.6	242.6	228.6	238.0	298.2	412.8
December	243.9	326.3	234.8	140.3	247.8	246.2	109.3	142.5	376.8	244.5	228.6	243.3	293.3	413.0

Note: ^ Revised at source.

Source: Table 20, Finance Ministry for value and Economic Planning Board, for indices; Table 21, Foreign Exchange Control Dept., Bank of Japan; Table 22, Ministry of Finance; Table 23, Economic Planning Board.

24. Coal Supply & Demand

(1,000 metric tons)

Year & Month	Carry-overs	Coal Output	Losses	Supply Total	Demand			Month-end Stocks			
					Delivery	Others	Total	At Collieries	At Port	On Market	Total
1956: September.....	2,072.6	3,888.2	↻ 12.4	5,973.2	4,153.2	↻ 80.3	4,072.9	478.0	481.8	940.5	1,900.3
October	1,900.3	4,262.0	↻ 7.8	6,170.1	4,354.9	↻ 113.6	4,241.3	517.4	505.3	900.1	1,928.8
November	1,928.8	4,289.1	↻ 7.8	6,225.7	4,474.4	↻ 123.2	4,351.2	526.0	507.0	831.5	1,874.5
1956: Apr.-Nov.	1,166.0	31,657.7	↻ 78.8	32,897.5	31,795.4	↻ 772.4	31,023.0	526.0	507.0	831.5	1,874.5
1955: Apr.-Nov.	2,892.8	28,012.6	↻ 58.3	30,963.7	28,367.0	↻ 200.3	28,166.7	794.7	856.2	1,146.1	2,797.0

25. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated				
1956						1956				
June	July	August	September	October		May	June	July	August	September
228,940	237,537	235,166	239,689	247,961	Mining	44,849	84,708	48,764	42,548	47,754
34,764	36,784	26,763	34,835	33,971	Foodstuffs	685	825	776	523	606
165,855	176,013	174,125	175,743	187,648	Spinning	1,077	1,054	1,005	942	1,046
208,636	212,897	210,625	213,593	224,440	Paper & Pulp	64,524	63,909	63,449	67,339	65,172
913,979	918,223	753,042	772,152	788,970	Chemicals	240,850	237,923	246,129	217,639	228,697
13,290	13,517	13,478	12,817	14,391	Oil & Coal Products	2,523	2,231	2,234	2,672	2,574
18,147	18,694	19,282	20,157	21,508	Rubber Goods	—	—	—	—	—
57,789	59,337	58,502	63,935	68,493	Glass & Ceramics	116,740	109,074	109,099	111,665	111,301
591,994	608,572	559,321	566,878	581,291	Primary Metals	294,847	252,919	247,798	231,177	231,755
6,815	7,187	7,183	7,396	7,351	Metal Products	—	—	—	—	—
33,953	34,419	35,442	36,678	38,477	Machinery	300	214	140	483	221
55,589	54,891	55,067	57,593	60,300	Electric Machinery & Tools	—	—	—	—	—
68,628	68,239	71,534	73,615	76,785	Transportation Machinery & Tools	—	—	—	—	—
10,820	11,680	12,062	11,552	12,063	Other Manufacturing	—	—	—	—	—
2,180,259	2,220,453	2,006,519	2,046,944	2,115,688	Manufacturing Total	676,546	668,149	670,630	632,440	641,372
254,361	264,988	269,616	262,911	273,918	Public Utilities	216	210	202	211	205
104,715	113,500	114,151	105,374	101,849	Others	—	—	—	—	—
2,768,275	5,835,978	2,625,452	2,654,918	2,744,416	Total	721,674	717,282	719,737	675,318	689,331

26. Supply & Demand of Raw Silk

(In bales=123 lbs.)

Year & Month	Raw Silk						Silk Fabrics	
	Production	Exports	Domestic Deliveries	Stocks at Month-end	U.S. Consumption		Production	Exports
					Consumption	Stocks at Month-end		
1956: May	20,306	4,256	17,891	14,808	5,048	9,626	15,227	3,173
June	20,903	4,415	17,174	14,122	4,627	9,421	15,791	3,511
July	31,620	5,818	22,468	17,366	4,466	9,181	16,011	4,027
August	29,969	7,987	21,212	17,746	4,976	8,661	15,438	3,740
September	30,339	7,190	22,707	17,998	4,762	8,602	16,295	4,335
October	30,000	6,756	22,071	19,171	6,189	8,225	17,325	4,963
November	28,387	7,078	22,424	18,056	5,630	7,850	17,885	—
1956: January–November	284,378	67,858	210,155	—	55,183	—	168,663	34,131
1955: January–November	261,417	77,078	180,122	—	49,454	—	169,310	22,717

27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1956: Apr.	169,437	91,664	76,334	34,050	270,353	261,834	8,597	176,036	448,280	430,931	19,002	216,058
May	178,974	97,627	81,716	33,681	285,339	276,940	9,859	165,575	472,401	453,190	21,183	214,086
June	178,598	95,891	83,669	32,791	286,412	279,505	9,445	163,036	469,894	451,983	22,218	209,778
July	180,601	97,278	83,857	28,801	288,589	289,806	9,680	152,139	474,644	469,061	22,512	192,849
Aug.	185,420	99,171	85,904	29,146	296,560	295,761	9,467	143,470	480,872	472,723	21,594	179,403
Sept.	184,043	97,032	91,895	24,162	292,566	290,281	9,634	136,122	486,380	474,429	22,178	169,177
Oct.	194,374	104,686	89,080	24,770	311,805	302,956	10,701	134,270	516,072	497,693	23,656	163,899

28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: May	212,005	201,642	95,458	31,708	30,265	5,433	53,398	44,412	8,511
June	206,610	162,709	132,245	31,606	29,163	7,087	52,874	44,879	8,913
July	200,429	161,473	165,643	29,836	29,202	6,187	56,524	47,851	9,884
August	182,244	200,051	138,826	30,486	27,052	7,979	56,262	47,620	11,006
September	192,580	159,754	163,680	31,325	30,579	7,395	56,352	49,023	10,224
October	200,932	181,530	175,240	32,603	31,931	6,571	59,738	51,477	11,267
November	196,687	133,408	233,030	34,327	32,584	6,665	59,022	50,473	11,643
1955: November	178,376	134,232	152,901	29,235	27,285	5,349	46,024	38,823	9,592

Sources: 24, MITI 25, Public Utilities Bureau. 26, Central Raw Silk Association. 27, MITI. 28, MITI, * Revised at source.

29. Supply & Demand of Pig-iron and Steel Materials

(In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Steel			Special Steel		
				Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: Total	5,216,766	1,204,402	88,819	6,931,774	5,363,447	281,393	318,616	238,824	24,463
1956: June	476,876	115,049	123,554	677,921	512,063	277,546	40,084	31,926	21,477
July	483,032	102,571	102,219	685,542	537,568	267,859	42,297	33,109	19,305
August	501,253	105,882	73,427	694,212	544,177	268,992	42,450	30,414	20,117
September	517,342	109,349	77,760	693,735	521,419	278,069	46,438	33,227	21,345
October	518,324	116,832	86,865	633,850	533,595	273,904	46,490	35,550	21,464
1955: October	450,543	94,256	91,427	610,959	450,176	327,800	29,282	22,441	24,384

30. Department Store Sales

(In million yen)

(MITI)

	By Month	No. of Stores	Total	Clothing	Sundry Goods	Household Utensils	Provisions	Dining Room	Services	Outside Store Sales	Others	Gift Certificates
Total	1956: April	160	19,620	9,068	4,445	2,066	2,928	612	178	18	304	222
	May	161	17,624	7,997	3,724	2,044	2,795	573	162	16	312	158
	June	161	18,107	8,741	3,605	2,245	2,585	531	137	18	234	190
	July	161	23,690	10,630	4,639	2,699	4,595	655	134	26	312	701
	August	163	17,816	6,691	3,813	2,027	4,104	702	139	24	272	444
	September ..	163	15,647	7,188	3,264	1,758	2,507	525	135	19	252	150
	October	166	20,876	10,675	3,846	2,356	2,947	587	193	21	252	184
	November ..	167	23,524	12,943	3,864	2,631	2,992	678	199	16	269	199
	December ..	168	52,571	27,156	8,734	5,213	9,873	792	249	29	525	1,530

31. JPA Procurement Contracts

(In \$1,000)

Year & Month	Contracts (Weekly total)			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1951 Average	29,470	21,209	8,261	—	—	—
1952 "	20,335	13,830	6,505	—	—	—
1953 "	27,359	17,523	9,836	—	—	—
1954 "	19,761	9,975	9,786	—	—	—
1955 "	14,815	5,566	9,249	—	—	—
1956: March	8,251	4,788	3,463	1,730,986	1,012,320	718,666
April	14,494	7,644	6,850	1,745,210	1,019,891	725,319
May	14,843	9,275	5,568	1,759,849	1,029,027	730,822
June	19,810	10,385	9,425	1,781,728	1,039,421	724,307
July	34,992	7,614	27,378	1,816,614	1,046,982	769,632
August	19,486	2,540	16,956	1,834,992	1,050,149	784,843
September	4,857	2,343	2,514	1,838,825	1,052,312	786,513
October	14,625	6,405	8,246	1,853,255	1,058,683	794,572
November	10,052	5,661	4,391	1,863,203	1,064,277	798,926

Source: Economic Planning Board.

32. JPA Procurement Payments

(In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1954 Total	453,674	268,679	184,995	—	—	—
1955 Total	355,664	233,875	121,789	—	—	—
1956: August	29,930	24,930	5,000	2,503,282	1,934,998	568,284
September	34,403	24,403	10,000	2,537,685	1,959,401	578,284
October	33,894	23,894	10,000	2,571,579	1,983,295	588,284
1955: October	25,964	18,383	7,581	2,226,090	1,731,934	494,156

Source: American Embassy Economic Section.

33. Labor Population Survey

(In 1,000)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
		Total (2)	Labor Force				Not in Labor Force	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
			Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1953 Average	86,780	58,310	39,700	17,130	22,120	450	18,620	260	6,270	300	3,360
1954 "	88,030	59,280	40,150	16,670	22,910	580	19,080	250	5,790	310	3,360
1955 "	89,110	60,920	41,800	17,150	23,970	680	19,010	240	6,360	330	3,790
1956: June	90,000	62,600	44,970	19,730	24,670	570	17,560	230	7,130	310	3,060
July	90,100	62,700	44,280	18,530	25,190	570	18,320	230	4,950	440	3,360
August	90,200	62,810	43,380	17,700	25,110	570	19,260	230	7,260	440	3,830
September	90,300	62,920	43,140	17,340	25,240	560	19,710	200	6,330	300	3,290
October	90,300	63,030	44,380	18,570	25,300	510	18,600	130	5,230	280	3,270
November	90,400	63,130	43,740	17,040	26,170	530	19,330	160	5,800	240	3,380
1955: November	89,400	61,410	43,180	17,560	25,050	570	18,130	160	5,750	250	3,440

Notes: (1) Since August, 1950, total population is the estimated total population as of the 1st of next month.

(2) Including persons whose labor force status was unknown.

(3) Among the persons holding jobs but not at work during the survey week, the following are defined as not at work: self-employed workers are not at work provided that their employees or unpaid family workers are engaged in their business during the survey week; employees are not at work provided that either they received or are expected to receive payment.

(4) Those whose working hours total only 1-34 hours in a week.

Source: Bureau of Statistics, Office of the Prime Minister.

34. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957		
			January		Feb. 15				January		Feb. 15
			High	Low					High	Low	
Transportation						Food & Fishery					
Iino Kaiun	6,600	8	106	94	92	Ajinomoto	2,296	25	209	195	197
Mitsubishi Shipping	4,800	8	107	94	90	Asahi Breweries	1,825	20	157	150	155
Mitsui Steamship	5,500	—	95	82	78	Dainippon Sugar Mfg.	720	25	174	151	163
Nippon Express	(B) 7,200	16	262	239	251	Honen Oil	1,000	20	157	149	140
Nitto Shosen	6,000	8	108	94	94	Japan Beet Sugar Mfg.	675	20	120	106	117
N.Y.K.	11,400	—	76	69	68	Japan Distilling	1,100	20	108	101	104
O.S.K.	7,600	—	72	63	63	Kirin Brewery	1,845	32	175	170	171
Tobu Railway	1,600	13	129	111	127	Meiji Confectionery	840	27	141	130	134
Tokyo El. Express Railway ..	3,000	15	121	103	118	Meiji Sugar Mfg.	500	30	170	153	164
Mining & Oil						Morinaga Confectionery	750	20	182	166	173
Dowa Mining	1,500	25	162	145	144	Nippon Breweries	1,825	20	142	126	140
Furukawa Mining	2,100	12	116	108	114	Nippon Cold Storage	2,000	16	115	100	104
Maruzen Oil	2,625	20	187	124	185	Nippon Flour Mills	864	20	120	107	115
Mitsui Mining & Smelting	2,400	18	130	116	120	Nippon Suisan	3,500	15	112	102	101
Mitsubishi Mining	2,700	12	134	118	124	Nissin Flour Milling	1,000	16	140	125	132
Mitsubishi Metal Mining	2,730	18	128	117	114	Nissin Oil Mills	750	25	133	120	117
Mitsubishi Oil	2,400	20	173	127	171	Noda Soy Sauce	800	30	240	220	223
Mitsui Mining	1,200	—	198	173	208	Taito	300	45	316	282	317
Nihon Mining	5,670	18	102	90	92	Takara Shuzo	3,927	20	133	121	129
Nippon Oil	4,500	15	120	94	110	Toyo Seito	266	30	206	187	221
Showa Oil	2,550	20	145	100	130	Chemicals					
Sumitomo Coal Mining	1,200	10	132	117	126	Dainippon Celluloid	2,000	15	109	92	90
Sumitomo Metal Mining	2,145	18	128	113	111	Electro-Chemical	2,040	20	155	126	150
Teikoku Oil	2,000	12	92	84	82	Kansai Paint	600	20	125	112	124
Toa Nenryo Kogyo	3,159	25	207	178	183	Kyowa Fermentation Ind.	1,399	18	155	135	135
Ube Industries	6,000	25	158	135	145	Mitsubishi Chem. Ind.	3,666	10	141	125	124
Shipbuilding & Machinery						Mitsui Chemical Ind.	1,600	15	150	137	146
Canon Camera	400	25	207	184	213	Nippon Chem. & Medicine	800	20	116	105	103
Ebara Mfg.	600	20	171	152	170	Nippon Soda	1,508	15	127	110	123
Fuji Electric	2,400	18	126	112	130	Nissan Chemical Ind.	2,000	13	86	74	80
Furukawa Electric	3,000	12	112	95	115	Nitto Chem. Ind.	2,247	8	130	127	128
Hitachi, Ltd.	10,000	18	131	113	129	Sankyo	780	25	147	134	139
Ishikawajima Heavy Ind.	2,630	12	105	93	89	Shin-etsu Chemical Ind.	980	15	117	101	110
Isuzu Motor	3,000	16	121	101	113	Shin Nippon Chisso Hiryo	2,400	15	114	103	106
Japan Precision Ind.	800	30	168	141	166	Showa Denko	4,400	15	145	134	145
Koyo Seiko	700	15	112	93	125	Sumitomo Chemical	4,000	15	167	155	153
Mitsubishi Elec. Mfg.	5,400	15	113	95	115	Toa Gosei Chemical Ind.	2,400	20	157	142	146
Mitsubishi Heavy Ind., Reorg. .	5,600	12	134	109	124	Toyo Katsui Ind.	3,600	20	142	127	135
Mitsubishi Japan Heavy Ind. .	3,000	10	103	78	99	Toyo Soda	1,200	15	95	85	91
Mitsubishi Shipbldg. & Eng. .	5,630	12	122	101	112	Miscellaneous					
Mitsui Shipbldg. & Eng.	2,240	16	121	106	112	Asahi Glass	5,000	20	175	160	172
Nippon Electric	2,000	15	105	95	101	Fuji Photo Film	2,500	20	147	137	138
Nippon Kogaku	465	15	139	125	125	Konishiroku Photo Industry ..	1,800	20	98	92	94
Nissan Motor	4,200	20	143	120	137	Nippon Musical Instruments ..	450	18	163	159	160
Tokyo Shibaura Electric	9,588	12	100	85	98	Nippon Sheet Glass	1,200	20	238	228	237
Toyo Bearing Mfg.	600	20	176	139	179	Toyo Seikan	(A) 400	20	1,755	1,720	1,750
Steel & Metal						Tokyo Rope	485	10	179	154	189
Fuji Iron & Steel	13,000	12	91	76	80	Yokohama Rubber	1,000	10	190	167	188
Kawasaki Steel	6,100	5	89	72	82	Paper & Printing					
Kobe Steel Works	3,984	12	99	76	95	Hokuetsu Paper Mills	900	10	80	66	73
Nippon Light Metal	2,995	10	179	165	165	Honshu Paper	2,000	8	103	96	108
Nippon Kokan Ind.	10,000	15	115	93	105	Jujo Paper	1,120	30	303	294	293
Sumitomo Metal Ind.	5,000	12	111	83	85	Mitsubishi Paper Mills	1,080	15	107	95	104
Yawata Iron & Steel	15,000	12	92	79	86	Oji Paper	1,600	25	263	253	260
Textiles						Toppan Printing	500	23	135	127	126
Asahi Chemical	(B) 3,675	22	463	438	450	Lumber & Ceramics					
Chuo Textile	500	10	74	62	63	Iwaki Cement	1,000	40	293	258	318
Dai Nippon Spinning	5,250	18	127	116	115	Nihon Cement	5,000	24	144	128	129
Daito Woollen Spinning	1,500	18	100	93	96	Nippon Gaishi	500	23	208	193	202
Fuji Spinning	3,000	20	122	108	108	Nippon Toki	520	25	195	170	193
Japan Wool Textile	2,560	20	146	135	126	Onoda Cement	6,400	16	115	103	103
Kanegafuchi Spinning	3,738	18	134	118	118	Land, Warehouse & Trade					
Kokoku Rayon	3,000	12	78	73	73	Heiwa Real Estate	1,323	10	344	324	346
Kokusaku Pulp	1,680	20	124	114	119	Mitsui Bussan	1,755	20	194	175	168
Kurashiki Rayon	3,000	15	169	148	142	Mitsui Real Estate	420	20	457	407	411
Kurashiki Spinning	2,600	20	125	118	122	Mitsubishi Estate	2,064	18	232	166	224
Mitsubishi Rayon	2,250	20	139	121	123	Mitsubishi Shoji	5,000	16	140	121	127
Nippon Pulp Ind.	1,600	20	179	158	127	Mitsubishi Warehouse	600	10	132	117	124
Nissin Cotton Spinning	1,560	30	235	212	201	Dept. Stores & Amusements					
Nitto Spinning	1,687	15	95	83	84	Mitsukoshi	2,430	26	241	220	243
Ohmi Kenshi Spinning	2,000	15	83	74	74	Nikkatsu	3,287	10	61	50	52
Sanyo Pulp	2,610	20	143	129	131	Shochiku Motion Picture	1,848	25	167	154	156
Teikoku Rayon	4,800	20	183	164	160						
Toho Rayon	1,500	20	137	117	118						
Tohoku Pulp	2,028	20	130	120	116						
Toyo Rayon	6,000	20	246	229	229						
Toyo Spinning	6,450	22	215	193	190						

Notes: (A) 500 yen shares.

(B) 100 yen shares, others 50 yen.

□ ex-new.

35. Exports and Imports by Country

(In million yen)

Settlement Area	Countries	Exports				Imports			
		1954 Total	1955 Total	October 1956	November 1956	1954 Total	1955 Total	October 1956	November 1956
	Total Exports & Imports	586,562	723,816	84,212	77,784	863,785	889,715	109,717	101,518
	Asia Total	286,846	303,460	34,929	31,609	265,259	325,421	31,746	29,650
0	Korea	24,684	14,218	2,290	1,867	2,911	3,434	568	428
£	China	1,878	20,277	2,078	2,931	14,677	29,080	2,656	2,820
\$	Ryukyu Islands	15,529	18,288	2,152	2,226	3,645	5,738	715	506
£	Hong Kong	27,815	31,702	3,142	3,269	1,426	2,221	794	724
0	Formosa	23,734	22,978	2,712	2,099	20,552	29,116	569	1,320
	Southeast Asia Total	161,444	203,270	22,642	19,782	165,301	189,834	17,918	15,991
0	Indo-China	4,654	13,245	3,309	1,912	5,233	1,982	199	215
0	Thailand	23,438	22,691	2,638	2,716	24,901	22,841	1,313	771
£	Malayan Union	3,360	4,852	466	346	20,326	33,416	3,638	3,484
£	Singapore	13,281	21,955	2,100	1,953	2,648	5,892	987	1,041
0	Philippines	11,229	18,651	1,881	1,668	24,166	32,023	3,608	3,652
£	British Borneo	179	377	43	28	6,986	7,707	1,155	728
0	Indonesia	43,097	23,297	1,785	1,945	21,682	29,219	2,574	2,238
£	Burma	16,413	13,786	1,815	1,431	22,713	16,477	1,145	269
£	India	15,788	30,503	4,057	3,163	18,562	27,823	2,420	2,710
£	Pakistan	20,160	15,839	488	389	13,028	16,951	1,747	704
£	Ceylon	6,226	7,853	931	990	950	989	93	83
\$	Iran	8,446	8,072	636	705	7,722	7,920	336	553
£	Iraq	6,110	7,756	585	761	217	2,055	439	532
£	Aden	3,348	3,461	228	173	102	1,159	103	37
\$	Saudi Arabia	999	2,372	202	173	39,916	35,169	4,263	3,807
£	Kuwait	1,682	2,265	287	289	3,887	5,914	1,586	1,593
0	Turkey	2,444	1,272	73	3	2,091	396	0	15
£	Jordan	562	637	97	85	50	356	11	—
\$	Syria	1,355	2,502	170	125	222	1,425	—	—
\$	Lebanon	468	434	122	26	146	37	6	22
	Europe Total	52,665	74,086	8,097	7,428	69,526	62,999	8,332	5,657
0	Sweden	3,031	4,815	439	463	3,268	1,712	189	176
\$	Denmark	471	2,123	1,268	96	1,343	685	112	149
£	United Kingdom	18,405	21,876	1,150	1,811	13,358	13,650	2,133	1,747
0	Netherlands	7,855	9,627	1,141	710	4,227	4,129	390	382
\$	Belgium & Luxemburg Economic Union ..	2,896	3,736	495	535	4,955	3,248	576	358
0	France	4,189	4,182	475	454	7,400	5,507	1,748	309
£	West Germany	6,514	9,058	1,082	1,230	15,880	16,648	1,985	1,513
\$	East Germany	880	1,145	168	59	1,897	1,858	319	165
\$	Switzerland	1,708	2,259	342	327	3,925	4,573	805	463
\$	Spain	564	1,235	557	551	4,783	4,242	162	40
£	Italy	1,940	2,846	468	287	6,295	4,717	153	101
\$	Norway	420	542	37	53	150	98	26	12
0	Finland	551	1,419	42	58	815	474	156	74
\$	Austria	282	818	136	197	324	320	51	28
	North America Total	125,456	191,536	22,039	20,531	396,858	367,588	53,826	49,368
\$	Canada	7,576	16,254	2,133	3,053	44,117	39,175	6,824	3,243
\$	U.S.A.	99,655	161,722	18,419	15,914	304,899	278,021	26,326	35,911
\$	Mexico	10,363	2,656	296	553	33,219	30,230	6,649	7,309
\$	Cuba	1,092	1,747	126	77	8,739	9,906	3,647	2,790
\$	Panama	554	2,166	226	167	909	323	420	5
\$	Colombia	3,415	2,556	399	174	200	257	7	62
\$	Ecuador	477	549	46	56	2,122	74	5	6
	South America Total	56,924	53,533	3,393	3,114	63,829	37,432	4,829	4,202
\$	Peru	1,670	1,796	328	347	7,315	3,880	1,471	1,545
0	Brazil	28,165	12,032	1,163	890	26,580	21,340	1,911	985
0	Argentina	17,592	28,485	239	447	21,800	8,006	743	834
\$	Chile	447	1,401	191	295	863	278	260	108
	Africa Total	49,857	74,009	14,138	13,670	18,462	22,664	1,435	2,848
0	Egypt	2,312	5,124	223	57	10,086	10,643	528	952
£	Nigeria & Gold Coast	15,305	22,034	2,804	1,950	111	62	21	8
\$	Liberia	9,055	19,060	8,520	8,849	87	19	2	1
\$	Belgian Congo	4,249	1,226	129	149	25	45	13	12
£	British East Africa	—	—	644	702	—	—	263	509
£	Union of South Africa	10,885	10,882	836	889	3,807	6,295	446	1,007
	Australia & Oceania Total	14,794	27,181	1,609	1,382	49,769	73,569	9,549	9,758
£	Australia	10,155	19,842	825	767	42,160	63,974	7,456	7,758
£	New Zealand	941	2,833	188	163	1,612	2,419	458	279
\$	Hawaii	2,092	2,478	329	308	638	365	9	144
£	New Caledonia	105	230	32	163	1,217	2,483	1,004	279
0	French Oceania	74	74	4	4	1,425	1,513	134	212
\$	Guam	405	210	89	30	727	712	48	137

Source: Finance Ministry.

Note: 0 denotes open account area; \$, dollar area; £, sterling area.

36. Production by Major Items

Items	In	1955 Total	1956 November	1956 December	Items	In	1955 Total	1956 November	1956 December
Electricity, Coal, Cokes, Gas			▲	▲	Ordinary Motors.....	HP	654,614	139,266	143,608
Electricity	1,000 KWH	53,503,578	5,355,010	5,501,620	Ordinary Transformers	KVA	1,436,524	277,177	297,025
Coal	1,000 Tons	42,423	4,289	4,258	Mercury Rectifiers	KW	109,961	8,886	9,880
Cokes	"	7,089,160	719,813	776,503	Condensers (High Pressure) ..	KVA.	961,277	88,941	96,820
Gas	1,000 CM	2,411,555	247,657	284,806	Condensers (Low Pressure) ..	MF.	"	1,790,914	1,548,442
Minerals					Switchboards	Units	37,304	5,495	5,286
Gold	GM.	7,382,292	631,352	662,800	Circuit Breakers	"	56,901	21,163	21,182
Silver	KG.	184,870	15,970	16,486	Controllers	"	"	7,532	7,804
Copper	Tons	71,096	6,307	6,459	Electric Fans	"	515,305	73,579	76,388
Lead	"	26,089	2,447	2,602	Electric Bulbs	1,000 Pcs.	142,887	14,437	14,539
Zinc	"	108,392	10,498	10,897	Special Electric Bulbs	"	66,801	7,034	6,635
Sulphuric Iron	"	2,730,662	256,796	261,680	Watt-hour Meters	Units	1,461,458	155,646	154,499
Iron	"	965,021	83,394	92,000	Electric Meters	"	31,909	5,719	5,750
Refined Sulphur	"	202,415	22,841	22,553	Storage Batteries	Kg.	10,179,162	1,320,545	1,325,580
Crude Oil	KG.	354,309	28,558	29,880	X-Ray Equipments	Sets	4,849	384	407
Natural Gas	1,000 CM.	"	15,561	16,860	Telephones	"	509,990	76,292	75,234
Non-ferrous Metals & Products					Telephone Switchboards	"	3,349	667	907
Electric Gold	GM.	8,591,140	765,126	777,492	Automatic Tel. Switchboards ..	Circuits	193,673	26,457	31,040
Electric Silver	KG.	227,440	20,893	22,105	Radios	Set.	1,789,190	314,436	342,783
Electric Copper	Tons	113,316	9,660	10,880	Televisions	"	136,505	30,026	38,609
Lead	"	37,111	4,068	4,298	Electric Tubes for Receiving ..	1,000 Pcs.	30,481	4,276	4,535
Zinc	"	"	11,537	11,291	Elect. Tubes for Transmis. ..	1,000 Pcs.	74,167	12,885	14,172
Electric Tin	KG.	1,033,606	117,775	98,285	Truck Chassis	Units	20,584	2,851	2,806
Mercury	"	171,271	24,588	27,616	Bus Chassis	"	4,807	595	699
Nickel	"	3,487,484	511,046	605,862	Small Four-wheeler Chassis ..	"	"	5,225	5,379
Aluminum	Tons	57,508	5,641	5,765	Small Passenger Car Chassis ..	"	"	2,457	2,935
Rolled Aluminum	"	52,980	5,593	5,706	Small Three-wheeler Chassis ..	"	87,743	9,597	10,152
Rolled Copper	"	117,044	14,677	15,115	Truck Bodies	"	"	5,192	5,300
Wires & Cables	"	95,478	10,914	11,549	Bus Bodies	"	"	561	650
Oil Products					Small Truck Bodies	"	"	3,996	4,250
Gasoline	KL.	2,461,481	276,895	303,944	Bicycles	"	1,108,792	127,582	115,597
Light Oil	"	737,128	58,536	89,794	Industrial Locomotives	"	305	39	40
Heavy Oil	"	3,928,552	570,972	554,145	Binoculars	Pairs	280,582	44,396	41,981
Lubricants	"	365,514	42,429	44,552	Cameras	Units	1,021,236	126,712	127,142
Iron & Steel Products					Watches	Pcs.	5,798,343	625,305	644,885
Pig-iron	Tons	5,216,766	536,795	551,220	Textiles & Yarns				
Steel	"	9,407,723	1,026,114	1,020,361	Cotton Yarn	1,000 lb.	922,680	98,081	100,026
Open Hearth Steel	"	7,813,606	824,555	814,839	Silk Yarn	"	4,387	380	373
Converter Steel	"	406,690	37,984	38,530	Rayon Staple Yarn	"	195,352	20,525	21,517
Electric Furnace Steel	"	1,187,427	163,575	163,992	Rayon Filament Yarn	"	410,938	48,312	53,148
Ferro-alloys	"	209,647	23,211	14,377	Woollen Yarn	"	184,748	20,954	21,014
Rolled iron materials	"	6,931,774	739,630	717,310	Bast Fibre Yarn	"	101,053	8,785	8,326
Iron Shapes (Medium size) ..	"	359,263	49,847	52,605	Staple Fibres	"	536,748	63,464	65,224
Iron wire	"	606,627	53,319	45,060	Cotton Textiles	1,000 sq. y.	3,018,137	309,413	305,985
Iron Sheets (Thick)	"	1,421,148	185,155	193,921	Silk Textiles	"	184,322	17,885	18,533
Iron Sheets (Thin)	"	740,637	58,294	57,005	Spun Silk Textiles	"	24,497	2,233	2,404
Rolled Special Steel	"	318,616	49,359	49,644	Rayon Textiles	"	773,828	82,761	82,332
Iron Tubes	"	452,233	47,411	47,690	Rayon Staple Textiles	"	895,927	103,069	104,822
Forged Steel	"	144,390	16,260	14,447	Woollen Textiles	"	185,615	20,970	21,670
Cast Steel	"	"	20,303	19,835	Bast Fibre Textiles	"	137,549	10,458	10,259
Galvanized Sheets	"	"	41,573	43,777	Chemicals				
Machinery & Machine Tools					Ammonium	Tons	750,315	76,341	79,910
Steam Boilers	Tons	33,266	2,046	2,340	Ammonium Sulphate	"	2,128,943	319,496	330,934
Steam Turbines	KW.	403,594	6,000	6,600	Superphosphate of Lime	"	1,794,786	152,481	170,251
Water Turbines	KW.	627,664	53,005	59,590	Carbide	"	674,073	44,953	31,324
Gasoline Engines	HP.	178,455	26,218	31,470	Calcium Cyanamide	"	510,883	40,340	28,717
Oil Burners	"	323,889	42,561	42,780	Synthetic Chem. Fertilizers ..	"	1,008,921	90,516	95,463
Machine Tools	Tons	6,588	1,178	1,265	Caustic Soda	"	517,138	58,993	59,263
Drills	1,000 Pcs.	12,846	1,538	1,592	Soda Ash	"	830,448	34,327	35,352
Rolling Machines	Tons	"	6,653	4,816	Synthetic Hydrochloric Acid ..	"	"	23,590	22,473
Bearings	"	6,948	1,259	1,330	Bleaching Powder	"	"	1,745	2,073
Cogs	"	1,598,422	496	504	Liquid Chlorine	"	"	9,071	8,621
Thrashing Machines	"	252,541	13,051	10,602	Crude Benschol	"	97,675	10,398	11,183
Hulling Machines	"	56,171	5,187	3,964	Refined Benschol	"	40,556	5,333	5,227
Rice-cleaning Machines	"	78,445	9,389	9,200	Pure Toluol	"	7,738	841	814
Air Compressors	"	4,076	725	700	Photo-films	1,000 sq. m.	8,006	687	764
Electric Fans	"	4,944	744	763	Paper & Pulp				
Pumps	"	21,056	2,423	2,450	Pulp	Long Tons	1,877,415	193,403	197,099
Refrigerators	"	14,525	1,270	1,520	Western Style Papers	1,000 lb.	3,071,063	302,639	304,004
Conveyers	"	15,305	1,843	1,720	Ceramics				
Cranes	Tons	16,073	2,666	1,570	Firebricks	Tons	689,339	81,116	87,900
Winches	"	4,853	683	600	Chinawares	"	"	40,749	41,290
Elevators	"	"	881	700	Glass Products	"	337,301	41,310	42,780
Printing Machines	"	7,725	826	820	Red Bricks	"	527,109	23,190	22,030
Silk Preparing Machines	"	"	454	454	Sheet Glass	Boxes	6,650,036	735,848	787,254
Cotton Preparing Machines ..	"	"	711	877	Cement	Tons	10,556,650	1,170,970	1,175,395
Cotton Spinning Machines	"	25,750	8,325	4,577	Miscellaneous				
Wool Spinning Machines	"	14,537	1,009	1,009	Automobile Tires	Pcs.	2,317,575	321,808	334,680
R. Staple Weaving Machines ..	Units	16,648	1,884	1,916	Metal Toys	1,000 pcs.	250,795	27,910	26,432
Cotton Weaving Machines	"	16,950	1,979	2,608	Pencils	Gross	6,591,749	566,483	545,000
Wool Weaving Machines	"	2,764	213	255	Needless	1,000 pcs.	244,659	25,215	26,719
Sewing Machines	"	1,696,334	152,389	152,578	Match	Match tons	417,155	41,155	40,411
Lathes	Tons	5,132	715	570	Piano	Sets	11,510	1,376	1,542
Drilling Machines	"	3,239	481	460	Leather Shoes	prs.	4,998,172	446,169	468,166
Millwork Power Generators ..	KVA	1,377,023	65,200	124,035					

Source: Ministry of International Trade & Industry.

Note: ▲ Revised at source. ▲ Provisional figures.

37. Exports by Major Articles

(In million yen)

Articles	Unit	1955		1956			
		Aggregate		October		November	
		Volume	Value	Volume	Value	Volume	Value
Food	—	—	47,793	—	6,664	—	6,677
Fish & Shellfish	m.t.	155,108	27,226	20,542	5,026	19,323	4,741
Canned, Bottled Fish	"	62,206	16,442	14,351	4,182	11,620	3,697
Cereals	—	—	1,287	—	67	—	77
Fresh & Frozen Fruit	m.t.	116,519	9,276	10,091	569	16,655	1,059
Sugar & Its Products	m.t.	34,039	1,434	1,490	84	270	37
Tea	1,000 lbs.	31,954	3,510	2,481	265	1,874	159
Beverage & Tobacco	—	—	1,214	—	73	—	67
Beer	kl.	6,339	507	—	45	—	49
Tobacco	—	—	471	—	28	—	18
Raw Materials	—	—	35,285	—	2,954	—	3,045
Lumber	cu.m.	442,008	10,438	43,367	747	42,346	686
Textile, Fibre	1,000 lbs.	69,061	20,821	6,500	1,888	6,793	1,973
Raw Silk	bales	86,712	18,005	884	1,343	957	1,479
Fertilizers & Mineral Products	—	—	252	—	25	—	19
Animal & Vegetable Materials	—	—	2,257	—	266	—	321
Coal & Petroleum	—	—	2,546	—	338	—	240
Animal & Vegetable Oils	—	—	6,381	—	829	—	204
Animal Oil	m.t.	—	5,448	—	776	—	123
Cod-liver Oil	"	6,729	2,155	278	249	171	121
Vegetable Oil	"	8,036	916	142	18	324	42
Chemicals, Drugs	—	—	33,751	—	2,661	—	2,346
Pharmaceuticals	—	—	2,997	—	361	—	358
Chemical Fertilizers	m.t.	762,875	15,010	49,342	1,031	33,130	667
Manufactured Products by Material	—	—	414,867	—	42,950	—	39,302
Rubber Goods	—	—	4,359	—	617	—	496
Tyres & Inner Tubes	m.t.	9,281	3,345	1,282	484	986	367
Wood & Cork Products	—	—	15,763	—	452	—	2,018
Paper & Related Products	m.t.	82,096	6,627	13,331	1,193	10,347	944
Textiles	—	—	210,588	—	24,463	—	22,674
Woollen Yarn	1,000 lbs.	7,877	6,263	590	391	740	479
Cotton Yarn	"	26,226	8,756	2,819	1,092	1,286	451
Rayon Yarn	"	18,046	3,231	5,978	1,117	5,258	996
Spun Rayon Yarn	"	39,224	5,897	1,933	347	1,681	286
Cotton Fabrics	1,000 sq. yds.	1,133,829	82,757	122,690	9,441	116,775	9,076
Silk Fabrics	"	30,022	5,622	22,472	1,262	25,097	1,405
Woollen Fabrics	"	17,751	10,003	2,202	1,250	2,185	1,159
Artificial Fibre Fabrics	"	895,631	55,686	105,911	7,485	105,362	7,332
Non-Metallic Minerals	—	—	30,625	—	3,863	—	3,263
Cement	m.t.	1,206,244	8,098	191,286	1,239	173,951	1,103
Glass Products	—	—	4,634	—	615	—	500
Chinaware	—	—	15,106	—	1,613	—	1,323
Precious Metals & Gems	—	—	7,846	—	891	—	926
Cultured Pearls	kg.	18,223	3,633	2,226	398	2,196	452
Base Metals & Products	—	—	117,096	—	7,883	—	7,272
Iron & Steel	m.t.	1,988,521	93,418	94,323	6,150	82,035	5,874
Steel Bars & Shapes	—	356,875	11,401	7,630	308	8,494	882
Steel Plates (ungalvanized)	"	344,719	16,801	18,749	1,276	10,486	388
Copper	"	41,184	13,257	770	317	433	178
Nickel	"	2,213	2,261	281	347	285	381
Aluminium	"	24,883	5,033	463	136	254	74
Metal Products	—	—	21,845	—	1,891	—	1,681
Machinery & Transportation Equipment	—	—	88,835	—	17,510	—	16,856
Machinery (excl. electric machines)	—	—	34,848	—	4,386	—	4,107
Metal Processing Machines	—	—	1,134	—	60	—	76
Textile Machines & Parts	—	—	9,562	—	1,540	—	1,520
Sewing Machines & Parts	—	—	13,938	—	1,247	—	1,257
Electric Machines	—	—	11,123	—	1,970	—	1,706
Gen. Motors, Trans. & Alternators	unit	—	2,188	—	260	—	143
Electric Bulbs	1,000 pcs.	194,791	1,601	27,207	284	16,248	163
Transportation Equipment	—	—	42,864	—	11,154	—	11,042
Railway Rolling Stock	—	—	7,814	—	675	—	1,242
Automobiles	—	—	3,736	1,753	147	3,057	216
Bicycles & Parts	m.t.	—	3,056	—	349	—	232
Ships	unit	348	28,147	85	9,675	19	8,999
Miscellaneous	—	—	90,295	—	9,954	—	8,791
Camera	—	234,471	1,680	61,159	530	43,219	337
Toys	m.t.	47,352	15,294	5,266	1,746	4,558	1,324
Livestock, Pets etc.	—	—	299	—	35	—	24
Re-export Goods	—	—	2,551	—	243	—	232
Total Exports	—	—	723,816	—	84,212	—	77,784

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.

Source: Customs Division, Tax Bureau, Ministry of Finance.

38. Imports by Major Articles

(In million yen)

Articles	Unit	1955		1956			
		Aggregate		October		November	
		Volume	Value	Volume	Value	Volume	Value
Food	—	—	220,038	—	20,636	—	14,270
Cereals (rice, wheat & barley, etc.)	m.t.	—	158,437	503,874	14,403	292,512	8,796
Fruit & Vegetables	"	149,625	7,191	2,235	532	12,887	729
Sugar	"	1,243,131	43,692	132,492	4,734	96,916	3,477
Coffee	1000. lbs.	9,058	2,044	1,322	297	1,323	298
Beverage & Tobacco	—	—	4,955	—	542	—	267
Spirits	l.	—	274	—	17	—	39
Raw Materials	—	—	441,281	—	54,381	—	55,449
Hides & Skins	m.t.	61,763	8,055	5,827	869	6,555	984
Cow Hide	"	47,041	5,214	4,266	523	4,199	512
Box Calf	"	8,000	2,008	659	197	925	302
Oil Seeds	"	1,135,105	52,928	30,271	1,717	28,765	1,515
Peanuts	"	14,554	1,238	—	—	1,268	104
Copra	"	50,736	3,829	4,555	316	1,040	79
Soy-beans	"	808,177	35,368	897	45	8,036	337
Rubber	"	109,057	26,905	12,987	2,940	12,519	2,862
Crude Rubber	"	87,669	23,852	10,071	2,402	9,797	2,352
Latex	"	7,160	1,522	1,132	224	903	174
Synthetic Rubber	"	5,199	1,374	998	288	1,102	309
Lumber	c.m.	—	22,909	—	3,350	—	2,664
Lumler	"	2,051,859	22,243	287,786	3,275	228,803	2,575
Cork	m.t.	6,568	816	640	71	901	80
Pulp & Scrap Paper	—	—	6,849	—	1,279	—	1,319
Fibres & Textiles	1,000 lbs.	1,498,630	210,799	171,174	22,019	164,118	22,632
Silk (incl. cocoons)	1,000 lbs.	1,904	407	283	107	239,814	96
Wool	"	214,191	63,376	20,767	6,648	22,720	7,424
Cotton	"	972,061	130,318	123,029	14,059	123,113	14,273
Cotton Linter	"	30,754	773	112,282	13,296	1,031	23
Waste Cotton	"	87,211	6,920	10,229	742	5,938	431
Hard & Bast Fibres	"	117,856	7,323	24,332	968	15,725	598
Jute	"	69,843	2,604	8,612	279	6,557	204
Flax	"	5,554	608	1,385	62	1,126	72
Sisal Hemp	"	27,212	937	5,580	274	4,715	159
Manila Hemp	"	71,196	3,324	2,424	195	2,263	118
Fertilizers & Non-metallic Minerals	m.t.	—	36,975	—	3,136	—	2,925
Fertilizers	"	2,369,295	23,959	137,408	1,263	166,778	1,573
Salt	"	2,025,019	7,775	205,098	982	165,898	654
Asbestos	"	20,400	1,436	3,975	274	2,519	184
Magnesite	"	53,486	923	9,930	192	8,806	163
Metals & Ores	m.t.	7,784,569	66,867	1,272,053	18,447	1,396	20,095
Iron Ore	"	5,459,458	29,354	780,937	5,367	873,130	6,260
Scrap Iron	"	1,286,959	22,951	302,256	8,075	308,177	8,526
Non-ferrous Metals	"	1,021,375	12,063	182,345	3,276	266,576	3,242
Nickel	"	44,196	2,150	104,622	1,004	110,844	1,064
Aluminium	"	307,530	2,435	22,425	120	28,742	153
Manganese	—	343,312	1,513	17,393	277	24,106	436
Animal Materials	—	—	3,039	—	263	—	175
Vegetable Materials	—	—	5,948	—	355	—	309
Coal & Petroleum	—	—	104,040	—	14,627	—	13,512
Coal	m.t.	2,861,923	20,237	393,379	3,474	374,620	3,530
Anthracite	"	267,398	1,732	53,145	380	65,621	562
Bituminous (for coking)	"	2,575,281	18,437	322,046	2,960	294,507	2,883
Petroleum	k.l.	12,114,718	81,863	1,416,837	10,925	1,243,740	9,619
Crude & Unrefined	"	8,501,530	53,507	1,085,726	7,527	948,044	6,745
Gasoline	"	348,347	4,620	31,350	552	12,547	244
Kerosene & Gas Oil	"	222,681	2,225	11,683	122	283	3
Fuel Oil	"	3,004,426	19,763	280,530	2,370	274,167	2,296
Lubricants (excl. grease)	"	29,789	1,324	6,631	345	5,976	294
Petroleum Coke	m.t.	125,959	1,285	11,122	175	27,974	301
Animal & Vegetable Oils	—	—	13,118	—	959	—	616
Animal Fats & Oils	m.t.	117,680	9,173	10,792	780	5,933	429
Vegetable Oils	"	37,536	3,695	1,325	148	884	154
Chemicals, Drugs	—	—	28,874	—	6,036	—	4,637
Manufactured Products by Material	—	—	21,052	—	6,818	—	7,191
Hides, Leathers & Furs	m.t.	—	964	—	86	—	67
Rubber Goods	"	—	230	—	64	—	46
Paper & Related Products	m.t.	1,456	229	138	26	60	25
Yarns & Fabrics	—	—	3,213	—	321	—	240
Base Metals	m.t.	—	1,337	84,685	5,601	98,541	6,169
Iron & Steel	"	82,183	3,647	75,350	3,171	91,106	3,892
Other Base Metals	"	5,823	4,391	9,335	2,430	7,435	2,277
Machinery & Transportation Equipment	—	—	47,665	—	4,596	—	4,548
Machinery (excl. electric machines)	—	—	33,258	—	3,052	—	3,105
Electric Machines	—	—	6,267	—	498	—	534
Transportation Equipment	—	—	8,140	—	1,047	—	910
Miscellaneous	—	—	7,895	—	1,070	—	893
Livestock, Pets etc.	—	—	124	—	13	—	11
Re-imports Goods	—	—	674	—	67	—	124
Total Imports	—	—	889,715	—	109,717	—	101,518

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.
Source: Customs Division, Tax Bureau, Ministry of Finance.

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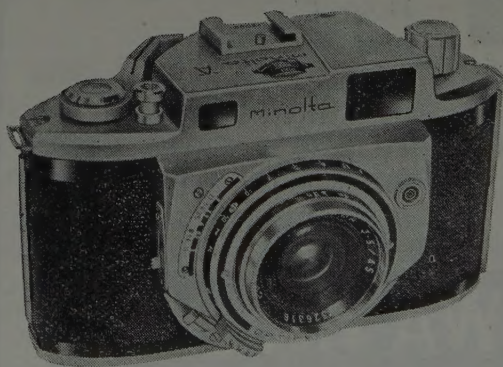
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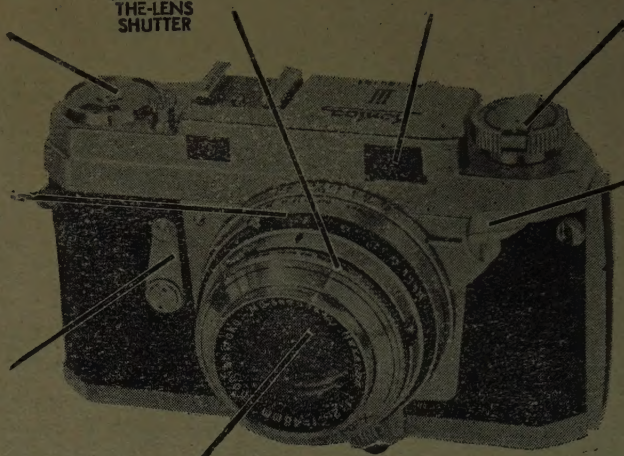
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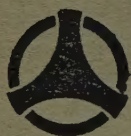
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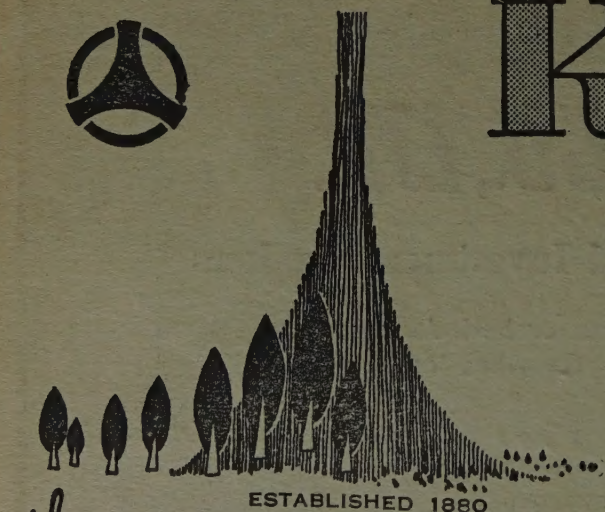
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